Bharti Airtel (UK) Limited

Ind AS Special Purpose Financial Statements

March 2021

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Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Bharti Airtel (UK) Limited

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements (SPFS) of Bharti Airtel (UK) Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information, (hereinafter referred to as the "SPFS").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid SPFS is prepared, in all material respects, in accordance with basis set out in note 2.1 to the SPFS.

Basis for Opinion

We conducted our audit of the SPFS in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the SPFS' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence and ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 (the "Act") and the Rules made thereunder, and we have fulfilled our other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the SPFS.

Emphasis of Matter- Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2.1 to the SPFS, which describes the purpose and basis of accounting. The SPFS have been prepared by the Company solely to assist Bharti Airtel Limited for its consolidation purpose and to comply with the requirements under the Companies Act 2013. As a result, the SPFS may not be suitable for another purpose. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties.

Our opinion is not modified in respect of this matter.

Management's Responsibility for the Special Purpose Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these SPFS that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the basis and for the purpose stated in Note 2.1 to the SPFS.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the SPFS that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the SPFS, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the SPFS 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 SAs 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 based on these SPFS.

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

- Identify and assess the risks of material misstatement of the SPFS, 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 financial 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 management's 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 SPFS 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 SPFS, including the disclosures, and whether the SPFS represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the SPFS that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the SPFS may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the SPFS.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Sd/-
Nilesh Lahoti
(Partner)
(Membership No. 130054)
UDIN: 21130054AAAAIY1567

Place: Gurugram
Date: 5 August, 2021

Ind AS Special Purpose Financial Statements

BHARTI AIRTEL (UK) LIMITED
Special Purpose Balance Sheet
(All amounts are in GBP; unless stated otherwise)

	Notes	As of March 31, 2021 Unaudited (Rs. '000)	As of March 31, 2021 Audited	As of March 31, 2020 Audited
Assets				
Non-current assets				
Property, plant and equipment	4	398,222	3,955,156	3,910,000
Capital work-in-progress	4	-	-	213,063
Deferred tax assets (net)	13	152,028	1,509,952	-
Other non-current assets	5	1,084,240	10,768,720	5,059,571
		1,634,490	**16,233,828**	**9,182,634**
Current assets				
Inventories		-	-	870,827
Financial assets				
- Trade receivables	7	1,011,183	10,043,111	12,672,448
- Loans and security deposits	6	3,061,105	30,403,023	28,778,649
- Cash and cash equivalents	8	192,416	1,911,083	3,426,624
- Unbilled Revenue	18	2,041,176	20,273,047	15,619,197
- Others	9	91,113	904,935	907,970
Current tax assets (net)		41,859	415,750	-
Other current assets	10	175,096	1,739,063	2,184,540
		6,613,948	**65,690,012**	**64,460,255**
Total Assets		**8,248,438**	**81,923,840**	**73,642,889**
Equity and Liabilities				
Equity				
Equity share capital	11	33,622	333,935	333,935
Other equity		547,045	5,433,276	14,001,596
Total equity		**580,667**	**5,767,211**	**14,335,531**
Non-current liabilities				
Deferred revenue	18	180,940	1,797,106	2,321,468
Deferred tax liabilities (net)	13	-	-	269,514
		180,940	**1,797,106**	**2,590,982**
Current liabilities				
Financial liabilities				
- Trade payables	14			
- total outstanding dues of creditors other than micro enterprises and small enterprises		6,850,213	68,036,603	52,956,905
- Others	15	301,821	2,997,689	959,888
Deferred revenue	18	331,099	3,288,494	2,697,733
Provisions	16	198	1,970	-
Current tax liabilities (net)		-	-	101,850
Other current liabilities	17	3,500	34,767	-
		7,486,831	**74,359,523**	**56,716,376**
Total liabilities		**7,667,771**	**76,156,629**	**59,307,358**
Total equity and liabilities		**8,248,438**	**81,923,840**	**73,642,889**

The accompanying notes 1 to 31 form an integral part of these Special Purpose Financial Statements.

As per our report of even date
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

For and on behalf of the Board of Directors of Bharti Airtel (UK) Limited

Sd/-
Nilesh H. Lahoti
Partner
Membership No: 130054
Place: Gurugram, India

Sd/-
Srikanth Balachandran
Director
Place: London, UK

Sd/-
Simon Andrew O'Hara
Director
Place: London, UK

Date: August 5, 2021

BHARTI AIRTEL (UK) LIMITED
Special Purpose Statement of Profit and Loss
(All amounts are in GBP; unless stated otherwise)

	Notes	For the year ended March 31, 2021 Unaudited (Rs. '000)	March 31, 2021 Audited	March 31, 2020 Audited
Income				
Revenue from operations	18	47,029,658	467,100,587	425,614,754
Other income		76,500	759,803	762,338
		47,106,158	**467,860,390**	**426,377,092**
Expenses				
Cost of goods sold		-	-	996,492
Network operating expenses	19	2,832,611	28,133,618	23,477,974
Access charges		44,514,928	442,124,179	391,867,445
License Fee / Spectrum Charges		45,045	447,388	341,945
Employee benefits expenses	20	284,608	2,826,743	2,550,639
Other expenses	21	183,380	1,821,337	707,221
		47,860,572	**475,353,265**	**419,941,716**
(Loss) / Profit before depreciation, finance costs and tax		**(754,414)**	**(7,492,875)**	**6,435,376**
Depreciation expense	22	81,070	805,195	758,392
Finance costs	23	75,046	745,357	14,937
(Loss) / Profit before tax		**(910,530)**	**(9,043,427)**	**5,662,047**
Tax (credit) / expense				
Current tax	24	49,100	487,664	1,080,176
Deferred tax	24	(179,164)	(1,779,466)	11,140
Total tax (credit) / expense		**(130,064)**	**(1,291,802)**	**1,091,316**
(Loss) / Profit for the year		**(780,466)**	**(7,751,625)**	**4,570,731**
Other comprehensive income				
Items to be reclassified subsequently to profit or loss:				
- Net (loss) / gain due to foreign currency translation differences		(82,228)	(816,695)	537,693
Other comprehensive (loss) / income for the year		**(82,228)**	**(816,695)**	**537,693**
Total comprehensive (loss) / income for the year		**(862,694)**	**(8,568,320)**	**5,108,424**
Earnings per share (In Rupee / GBP)				
(Face value of GBP 1 each)				
Basic and diluted (loss) / earning per share	29	(2,337.18)	(23.21)	13.69

The accompanying notes 1 to 31 form an integral part of these Special Purpose Financial Statements.

As per our report of even date
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

For and on behalf of the Board of Directors of Bharti Airtel (UK) Limited

Sd/-	Sd/-	Sd/-
Nilesh H. Lahoti	**Srikanth Balachandran**	**Simon Andrew O'Hara**
Partner	**Director**	**Director**
Membership No: 130054		
Place: Gurugram, India	Place: London, UK	Place: London, UK

Date: August 5, 2021

BHARTI AIRTEL (UK) LIMITED
Special Purpose Statement of Changes in Equity
(All amounts are in GBP; unless stated otherwise)

	Equity Share Capital		Other equity- Reserves & Surplus				Total Equity
	No. of Shares	Amount	Securities premium	Retained earnings	Foreign currency translation reserve	Total	
As of April 1, 2019	333,935	333,935	3,005,411	7,089,065	(1,201,304)	8,893,172	9,227,107
Profit for the year	-	-	-	4,570,731	-	4,570,731	4,570,731
Other comprehensive income for the year	-	-	-	-	537,693	537,693	537,693
Total comprehensive income	**-**	**-**	**-**	**4,570,731**	**537,693**	**5,108,424**	**5,108,424**
As of March 31, 2020	**333,935**	**333,935**	**3,005,411**	**11,659,796**	**(663,611)**	**14,001,596**	**14,335,531**
Loss for the year	-	-	-	(7,751,625)	-	(7,751,625)	(7,751,625)
Other comprehensive loss for the year	-	-	-	-	(816,695)	(816,695)	(816,695)
Total comprehensive loss	**-**	**-**	**-**	**(7,751,625)**	**(816,695)**	**(8,568,320)**	**(8,568,320)**
As of March 31, 2021	**333,935**	**333,935**	**3,005,411**	**3,908,171**	**(1,480,306)**	**5,433,276**	**5,767,211**

The accompanying notes 1 to 31 form an integral part of these Special Purpose Financial Statements.

As per our report of even date
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

For and on behalf of the Board of Directors of Bharti Airtel (UK) Limited

Sd/-
Nilesh H. Lahoti
Partner
Membership No: 130054
Place: Gurugram, India

Sd/-
Srikanth Balachandran
Director
Place: London, UK

Sd/-
Simon Andrew O'Hara
Director
Place: London, UK

Date: August 5, 2021

BHARTI AIRTEL (UK) LIMITED
Special Purpose Statement of Cash flows
(All amounts are in GBP; unless stated otherwise)

	For the year ended	
	March 31, 2021	**March 31, 2020**
Cash flows from operating activities		
(Loss) / Profit before tax	**(9,043,427)**	**5,662,047**
Adjustments for:		
Depreciation expense	805,195	758,392
Interest income	(504,497)	(762,311)
Finance costs	602,484	14,937
Other non-cash items	1,030,538	(351,866)
Operating cash flow before changes in working capital	**(7,109,707)**	**5,321,199**
Changes in working capital		
Trade receivables	1,053,000	(685,560)
Trade payables	14,942,199	9,544,738
Inventories	866,757	(870,827)
Other financial and non-financial liabilities	96,778	304,315
Other financial and non-financial assets	(9,863,584)	(770,576)
Net cash (used) / generated from operations before tax	**(14,557)**	**12,843,289**
Income tax (paid) - net	(1,005,263)	(1,227,469)
Net cash (used) / generated from operating activities (a)	**(1,019,820)**	**11,615,820**
Cash flows from investing activities		
Sale / (Purchase) of property, plant and equipment	950,307	(53,384)
Loans given	(1,624,379)	(13,416,085)
Interest received	507,533	118,742
Net cash used in investing activities (b)	**(166,539)**	**(13,350,727)**
Cash flows from financing activities		
Interest and other finance charges paid	-	(14,938)
Net cash used in financing activities (c)	**-**	**(14,938)**
Net decrease in cash and cash equivalents during the period (a+b+c)	**(1,186,359)**	**(1,749,845)**
Add : Cash and cash equivalents as at the beginning of the year	3,426,624	4,959,198
Effect of foreign exchange translation	(329,182)	217,271
Cash and cash equivalents as at the end of the year (refer note 13)	**1,911,083**	**3,426,624**

The accompanying notes 1 to 31 form an integral part of these Special Purpose Financial Statements.

As per our report of even date
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

For and on behalf of the Board of Directors of Bharti Airtel (UK) Limited

Sd/-
Nilesh H. Lahoti
Partner
Membership No: 130054
Place: Gurugram, India

Sd/-
Srikanth Balachandran
Director

Place: London, UK

Sd/-
Simon Andrew O'Hara
Director

Place: London, UK

Date: August 5, 2021

1. Corporate Information

Bharti Airtel (UK) Limited ('the Company') is domiciled and incorporated in United Kingdom under the UK Companies Act 2006 as a private limited Company. The registered office of the Company is located at 10 Queen Street Place, London, EC4R 1AG, United Kingdom.

The principal activity of the Company is the operation and provision of telecommunication facilities and services including international wholesale voice, wholesale bandwidth and other related telecommunication services to carrier customers and to third party customers of its own.

The company's immediate parent company is Bharti International (Singapore) Pte. Ltd., a private limited Company incorporated in Singapore.

2. Summary of significant accounting policies

2.1 Basis of preparation

The Special Purpose Financial Statements ('financial statements') have been prepared by the Company solely to assist Bharti Airtel Limited for its consolidation purpose and to comply with the requirements under the Companies Act, 2013 ('Act').

These financial statements have been prepared to comply in all material respects with the Indian Accounting Standard ('Ind AS') as notified by the Ministry of Corporate Affairs ('MCA') under section 133 of the Act, read together with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act, except additional disclosures required by the Act (since the Company is not incorporated in India and these financial statements are not statutory financial statements, full compliance with the Act is not required).

The financial statements are approved for issue by the Company's Board of Directors on August 5, 2021.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Act. Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and Balance Sheet. Nonetheless, these items are disaggregated separately in the notes to the financial statements, where applicable or required.

These financial statements are presented in Great Britain Pound ('GBP'), whereas the functional currency of the Company is USD '$'. Therefore, all the amounts included in financial statements are reported in 'GBP', unless stated otherwise.

The translation of GBP to Rupee amounts is unaudited and is included solely for readers in India and has been calculated using the rate of GBP 1= Rs. 100.684, the RBI reference rate as announced by the Reserve Bank of India (RBI) on March 31, 2021. Such translations should not be constructed as representations that the Rupee amounts represent, or have been or could be converted into GBP at that or any other rate.

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgements 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.

To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the Company has changed the classification of certain items. Previous year figures have been regrouped or reclassified, to confirm to such current year's grouping / classifications. There is no impact on Equity or Net Profit due to these regrouping / reclassifications.

New amendments adopted during the year

MCA vide notification no. G.S.R. 463(E) dated July 24, 2020 has issued the Companies (Indian Accounting Standards) Amendment Rules, 2020 which amends following Ind AS:

- Ind AS 107, Financial Instruments: Disclosures
- Ind AS 109, Financial Instruments
- Ind AS 116, Leases
- Ind AS 1, Presentation of Financial Statements
- Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- Ind AS 10, Events after the Reporting Period
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

The amendments are applicable for annual periods beginning on or after the April 1, 2020, however, these do not have material impact on the financial statements of the Company.

Amendments to Schedule III Division II

MCA vide notification dated March 24, 2021, has amended disclosure requirements to division II of schedule III of the Act. The amendments are applicable from April 1, 2021.

Amendments to Standards issued but not effective

The following pronouncements issued by the MCA vide notification dated June 18, 2021 are relevant to the Company and effective for annual periods beginning on or after April 1, 2021.

- Ind AS 107, Financial Instruments: Disclosures
- Ind AS 109, Financial Instruments
- Ind AS 27, Separate Financial Statements
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

The Company's financial reporting will be presented in accordance with these requirements from April 1, 2021, which are being evaluated but not expected to have a material impact on the Balance Sheet or cash flows of the Company.

2.2 Basis of measurement

The financial statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment.

Fair value measurement

Fair value is the price at the measurement date, at which an asset can be sold or a 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). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, 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 are 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.

2.3 Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet 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 and 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.

2.4 Going Concern

The Directors believe that the Company has considerable financial resources. The Directors' assessment has been made with reference to the Company's forecasts of positive future cash inflows, the strategy, the Board's risk appetite and Company's principal risks and how these are managed. As a consequence, the Directors believe that the Company is well placed to manage its business successfully and has adequate resources to continue in operational existence. Thus, they continue to adopt the going concern basis in preparing these financial statements.

2.5 Property, plant and equipment ('PPE')

An item of PPE 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 any impairment losses. When significant parts of PPE 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 Balance Sheet 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 replaced part at the time it was acquired.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work-in-progress. Advances given towards acquisition of PPE outstanding at each Balance Sheet date are disclosed under other non- current assets.

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 statement of profit and 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 on PPE is computed using the straight-line method over the estimated useful lives which are as follows:

Plant & machinery	-	1 to 10 years
Computers	-	1 to 5 years

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at-least as at each financial year end so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and / or depreciation method is accounted prospectively, and accordingly the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are derecognised from the Balance Sheet and the resulting gains / (losses) are included in the statement of profit and loss within other income / other expenses.

Impairment of non-financial assets

PPE (including CWIP) are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable.

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 statement of profit and 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.

Reversal of impairment losses

Impairment losses are reversed in the statement of profit and 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 in previous years.

2.6 Financial instruments

a. Recognition, classification and presentation

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

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

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

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

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

b. Measurement – Non-derivative financial instruments

I. Initial measurement

At initial recognition, the Company measures the non-derivative financial instruments 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 statement of profit and 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

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 other income.

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

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

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, 12 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. Subsequent measurement - financial liabilities

Financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting / any transaction costs is significant).

c. Derecognition

The financial liabilities are derecognised from the Balance Sheet when the underlying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are derecognised from the Balance Sheet when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The resultant impact of derecognition is recognised in the statement of profit and loss.

2.7 Functional and foreign currency transactions

Functional currency

The financial statements are presented in Great Britain Pound ('GBP') whereas the functional currency of the Company is United States Dollar ('USD').

Transactions and balances

The Company's functional currency is USD, which is different from the Company's presentation currency. These financial statements are presented in GBP as the Company is domiciled in United Kingdom and most of the external users of the financial statements are located in United Kingdom. Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting date with resulting exchange difference recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is treated in line with the recognition of gain or loss of the item that gave rise to such exchange difference (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income is also recognised in other comprehensive income).

2.8 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. When determining the consideration to which the Company is entitled for providing promised products or services via intermediaries, the Company assesses whether it is primarily responsible for fulfilling the performance obligation and whether it controls the promised service before transfer to customers. To the extent that the intermediary is considered a principal, the consideration to which the Company is entitled is determined to be that received from the intermediary.

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:

a. Service revenue

Service revenues mainly pertain to usage for voice, data, messaging and value added services.

Telecommunication services (comprising voice, data and SMS) are considered to represent a single performance obligation as all are provided over the Company's network and transmitted as data representing a digital signal on the network. The transmission consumes network bandwidth and therefore, irrespective of the nature of the communication, the customer ultimately receives access to the network and the right to consume network bandwidth.

The Company recognises revenue from these services as they are provided. Revenue is recognised based on actual units of telecommunication services provided during the reporting period as a proportion of the total units of telecommunication services to be provided. Revenues in excess of invoicing are classified as unbilled revenue while invoicing / collection in excess of revenue are classified as deferred revenue / advance from customers.

b. Equipment sales

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories for which revenue is recognised when the control of equipment is transferred to the customer, i.e. transferred at a point in time.

c. Interest income

The interest income is recognised using the EIR method. For further details, refer note 2.6.

2.9 Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the statement of profit and loss.

a. 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 Balance Sheet under assets as income tax assets / under current liabilities as current tax liabilities.

Any interest, related to accrued liabilities for potential tax assessments are not included in income tax charge or (credit), but are rather recognised within finance costs.

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.

b. 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 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 Balance Sheet, 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.

2.10 Employee benefits

The Company's employee benefits mainly include wages, salaries and bonuses. The employee benefits are recognised in the period in which the associated services are rendered by the Company employees. Short-term employee benefits are recognised in statement of profit and loss at undiscounted amounts during the period in which the related services are rendered.

2.11 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.

2.12 Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.13 Inventories

Inventories are stated at the lower of cost (determined using the first-in-first-out method) and net realisable value. The costs comprise its purchase price and any directly attributable cost of bringing the inventories to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of Cash and cash equivalents and subject to an insignificant risk of changes in value). However, for the purpose of the statement of cash flows, in addition to above items, any bank overdrafts / cash credits that are integral part of the Company's cash management, are also included as a component of cash and cash equivalents.

2.15 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.

2.16 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS data.

Basic EPS is computed by dividing the profit for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period.

Diluted EPS is computed by adjusting, the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.

3. Key sources of estimation uncertainties and critical 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:

a. 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.

3.2 Critical judgements in applying the Company's accounting policies

a. Revenue recognition and presentation

The Company assesses its revenue arrangements in order to determine if it is acting as a principal or as an agent by determining whether it has primary obligation basis pricing latitude and exposure to credit / inventory risks associated with the sale of goods / rendering of services.

In the said assessment, both the legal form and substance of the agreement are reviewed to determine each party's role in the transaction.

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

The following table presents the reconciliation of changes in the carrying value of PPE for the year ended March 31, 2021 and March 31, 2020.

	Plant & machinery	Computers	Total
Gross Carrying value			
As of April 1, 2019	**7,188,562**	**1,986**	**7,190,548**
Additions	754,808	12,259	**767,067**
Disposal	(4,278)	-	**(4,278)**
Currency Translation	379,150	375	**379,525**
As of March 31, 2020	**8,318,242**	**14,620**	**8,332,862**
As of April 1, 2020	**8,318,242**	**14,620**	**8,332,862**
Additions	1,294,952	-	1,294,952
Currency Translation	(908,231)	(1,404)	(909,635)
As of March 31, 2021	**8,704,963**	**13,216**	**8,718,179**
Accumulated Depreciation			
As of April 1, 2019	**3,468,844**	**1,986**	**3,470,830**
Charge for the year	745,728	12,664	758,392
Currency translation	193,673	(33)	193,640
As of March 31, 2020	**4,408,245**	**14,617**	**4,422,862**
As of April 1, 2020	**4,408,245**	**14,617**	**4,422,862**
Charge for the year	805,195	-	805,195
Currency translation	(463,630)	(1,404)	(465,034)
As of March 31, 2021	**4,749,810**	**13,213**	**4,763,023**
Net Carrying Value			
At March 31, 2021	**3,955,153**	**3**	**3,955,156**
At March 31, 2020	**3,909,997**	**3**	**3,910,000**

The carrying value of capital work-in-progress as at March 31, 2021 and March 31, 2020 is GBP Nil and GBP 213,063 respectively which mainly pertains to plant and machinery.

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5. Other non-current assets

	As of	
	March 31, 2021	**March 31, 2020**
Prepaid Expenses	10,768,720	5,053,309
Others	-	6,262
	10,768,720	**5,059,571**

6. Loans and security deposits

Current

	As of	
	March 31, 2021	**March 31, 2020**
Loans*	30,402,989	28,778,610
Security deposits	34	39
	30,403,023	**28,778,649**

* Loans is given to Network i2i Limited at average interest rate of 1.65% (previous year 3.33%). Loan amount is unsecured and bear an average interest which is LIBOR for three months ended plus margin of 110 basis points.

7. Trade receivables

	As of	
	March 31, 2021	**March 31, 2020**
Trade receivable considered good, unsecured*	12,823,952	14,805,657
Less: Allowances for doubtful receivables	(2,780,841)	(2,133,209)
	10,043,111	**12,672,448**

* Includes amount due from related parties (refer note 28).

The movement in allowances for doubtful receivables is as follows:

	For the year ended	
	March 31, 2021	**March 31, 2020**
Opening balance	2,133,209	2,370,470
Additions / (reversal)	647,632	(237,261)
Balance at the end of the year	**2,780,841**	**2,133,209**

8. Cash and cash equivalents

	As of	
	March 31, 2021	March 31, 2020
Balance with banks		
- on current accounts	1,911,082	3,426,623
Cash on hand	1	1
	1,911,083	**3,426,624**

9. Other financial assets

Current	As of	
	March 31, 2021	March 31, 2020
Interest accrued* (refer note 28)	904,935	907,970
	904,935	**907,970**

* Interest accrued pertains to amount outstanding from Network i2i Limited.

10. Other assets

Current	As of	
	March 31, 2021	March 31, 2020
Prepaid expenses	1,739,052	1,219,156
Taxes Recoverable	-	822,758
Advances to suppliers	11	142,626
	1,739,063	**2,184,540**

11. Equity Share Capital

	As of	
	March 31, 2021	March 31, 2020
Authorised shares		
333,935 equity shares of GBP 1 each	**333,935**	**333,935**
Issued, Subscribed and fully paid-up shares		
333,935 equity shares of GBP 1 each	333,935	333,935
	333,935	**333,935**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As of March 31, 2021		As of March 31, 2020	
	No. of shares	GBP	No. of shares	GBP
At the beginning of the year	333,935	333,935	333,935	333,935
Outstanding at the end of the year	**333,935**	**333,935**	**333,935**	**333,935**

b) Terms / rights attached to equity shares

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

c) Details of shareholding as per the register of shareholder holding more than 5% shares in the Company

Name of the shareholder	As of March 31, 2021		As of March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Bharti International (Singapore) Pte Ltd, the parent company	333,935	100.00%	333,935	100.00%

12. Other equity

(i) Retained earnings: Retained earnings represents the amount of accumulated earning of the Company.

(ii) Foreign currency translation reserve: The amount of foreign currency translation reserve is due to translation of functional currency into presentation currency.

(iii) Securities Premium: Securities premium represents the amounts received in respect of called up share capital in excess of the nominal amount.

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13. Deferred tax (asset) / liability

	For the year ended	
	March 31, 2021	**March 31, 2020**
At beginning of year	269,514	246,129
Impact of exchange difference on deferred tax	-	(3,282)
Reversal of previously recognised deferred tax	(61,215)	15,527
Tax (credit) / expense recognised during the year in Statement of Profit and Loss	(1,718,251)	11,140
At end of year	**(1,509,952)**	**269,514**

Deferred tax (asset) / liability relates to the following:

	As of	
	March 31, 2021	**March 31, 2020**
Accelerated capital allowances	211,782	269,514
Tax losses carried forward and other deductions	(1,721,734)	-
	(1,509,952)	**269,514**

Deferred Tax (Credit) / Expense :-

	For the year ended	
	March 31, 2021	**March 31, 2020**
Provision for employees dues	1,059	10,684
Accelerated capital allowance	(58,791)	456
Tax losses carried forward and other deductions	(1,721,734)	-
Net deferred tax (credit) / expense	**(1,779,466)**	**11,140**

The statutory corporation tax rate in UK will increase from 19% to 25% with effect from April 1, 2023.

14. Trade payables

	As of	
	March 31, 2021	**March 31, 2020**
Total outstanding dues of creditors other than micro enterprises and small enterprises*	68,036,603	52,956,905
	68,036,603	**52,956,905**

***** Includes amount due to related parties (refer note 28)

There is no amount payable to micro and small enterprises as of March 31, 2021 and March 31, 2020.

15. Other financial liabilities

Current

	As of	
	March 31, 2021	**March 31, 2020**
Payable against capital expenditure	2,991,933	959,738
Others	5,756	150
	2,997,689	**959,888**

16. Provisions

Current

	As of	
	March 31, 2021	**March 31, 2020**
Provision for leave encashment	1,970	-
	1,970	**-**

17. Other current liabilities

	As of	
	March 31, 2021	**March 31, 2020**
Taxes payable	34,767	-
	34,767	**-**

18. Revenue from operations

	For the year ended	
	March 31, 2021	**March 31, 2020**
Service Revenue	467,100,587	424,449,266
Sale of products	-	1,165,488
	467,100,587	**425,614,754**

Disaggregation of Revenue

Revenue is disaggregated by major products / service lines and timing of revenue recognition are as follows:

	For the year ended	
	March 31, 2021	**March 31, 2020**
Products transferred at a point in time	-	1,165,488
Services transferred over time	467,100,587	424,449,266
	467,100,587	**425,614,754**

	For the year ended	
	March 31, 2021	**March 31, 2020**
Voice Revenue	408,665,942	377,027,412
Messaging Revenue	24,402,755	19,786,835
Data Revenue	34,031,890	28,800,507
	467,100,587	**425,614,754**

Contract Balances

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

	As of	
	March 31, 2021	**March 31, 2020**
Unbilled revenue	20,273,047	15,619,197
Deferred revenue		
-Current	3,288,494	2,697,733
-Non-Current	1,797,106	2,321,468
	5,085,600	5,019,201

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

	For the year ended March 31, 2021	
	Unbilled Revenue	**Deferred Revenue**
Revenue recognised that was included in the deferred revenue balance at the beginning of the period	-	2,697,733
Increases due to cash received, excluding amounts recognised as revenue during the period	-	2,764,132
Transfers from unbilled revenue recognised at the beginning of the period to receivables	15,619,197	-

19. Network operating expenses

	For the year ended	
	March 31, 2021	March 31, 2020
Repair and maintenance	1,792,878	1,142,956
Internet bandwidth and leasedline charges	26,050,928	22,088,192
Others	289,812	246,826
	28,133,618	**23,477,974**

20. Employee benefits expenses

	For the year ended	
	March 31, 2021	March 31, 2020
Salaries and wages	23,055	30,809
Social security costs	24,371	9,199
Director remuneration	34,640	-
Allowances and bonus	2,744,677	2,510,631
	2,826,743	**2,550,639**

21. Other expenses

	For the year ended	
	March 31, 2021	March 31, 2020
Allowance for doubtful debts	1,028,566	(348,160)
Consultancy Charges*	134,583	151,211
Bad Debts written off	13	5,415
Sales & Marketing Expense	96,847	122,662
Bank Charges	71,068	1,728
Other administrative expenses	490,260	774,365
	1,821,337	**707,221**

* Details of Auditor's remuneration included in consultancy charges:

	For the year ended	
	March 31, 2021	March 31, 2020
Audit fees	9,148	10,088
	9,148	**10,088**

22. Depreciation expense

	For the year ended	
	March 31, 2021	March 31, 2020
Depreciation	805,195	758,392
	805,195	**758,392**

23. Finance cost

	For the year ended	
	March 31, 2021	March 31, 2020
Net exchange loss	745,357	14,937
	745,357	**14,937**

24. Tax expense

	For the year ended	
	March 31, 2021	March 31, 2020
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit for the year	487,664	1,080,176
Deferred tax		
Origination and reversal of timing differences	(1,779,466)	11,140
Total Deferred tax (credit) / expense	(1,779,466)	11,140
Income tax (credit) / charge	**(1,291,802)**	**1,091,316**
Reconciliation of tax expenses		
(Loss) / Profit before tax	(9,043,427)	5,662,047
Tax at effective rate of 19%	(1,718,251)	1,075,789
Adjustments:		
Adjustments in respect of prior periods	487,664	-
Reversal of previously recognised tax expense	(61,215)	15,527
Income tax (credit) / expense recognised in the Statement of Profit and Loss	**(1,291,802)**	**1,091,316**

25. Capital Commitments

The company has contractual commitments towards capital expenditure (net of related advances) of GBP 3,531,750 and GBP 8,294,324 as of March 31, 2021 and March 31, 2020 respectively.

26. Financial and Capital risk

Financial risk

The business activities of the Company expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk and interest rate risk), credit risk and liquidity risk. The overall risk management seeks to minimize 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.

(i) 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.

The Company is exposed to credit risk mainly with respect to trade receivables (other than group entities). The trade receivables of the Company are typically non-interest bearing un-secured and derived from sales made to a number of independent customers including group entities. Revenue earned from the related parties is disclosed in Note 28. The credit period provided by the Company to its customers (other than Group entities), generally ranges between 0-90 days.

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 the ordinary course of business.

Consequently, the allowance for impairment of trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables.

Cash and cash equivalents are placed with reputed financial banks / institutions.

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 amounts are not material. Credit risk from balances with banks is managed by Group's treasury in accordance with the Board approved policy.

(ii) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

To manage liquidity risk, the Company monitors its net operating cash flow and maintains an adequate level of cash and cash equivalents to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

All financial liabilities of the Company are current and hence payable within next one year, amounting to GBP 71,034,292 and GBP 53,916,793 as at March 31, 2021 and March 31, 2020, respectively.

(iii) Interest rate risk:

As the Company does not have exposure to any floating-interest bearing financial assets or liabilities, it is not affected to changes in market interest rates.

(iv) Foreign currency risk:

The Company has foreign currency trade payables, receivables and borrowings (internal as well as external). However, foreign exchange exposure mainly arises from trade payables and accrued expenses denominated in foreign currencies. Consequently, the Company is mainly exposed to foreign exchange risks related to foreign currencies vis-à-vis the functional currencies.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Company's (loss) / profit before tax to a reasonably possible change in the exchange rates against the functional currency of the Company.

	Change in currency exchange rate	Effect on (loss) / profit before tax
For the year ended March 31, 2021		
EUR	5%	(16,477)
	-5%	16,477
GBP	5%	(42,124)
	-5%	42,124
INR	5%	(37)
	-5%	37
SGD	5%	(214)
	-5%	214
For the year ended March 31, 2020		
EUR	5%	(10,277)
	-5%	10,277
GBP	5%	(13,828)
	-5%	13,828
INR	5%	(40)
	-5%	40
SGD	5%	(145)
	-5%	145

Currency profile

	Financial liabilities March 31, 2021	Financial liabilities March 31, 2020
EUR	(329,540)	(205,534)
GBP	(842,478)	(276,564)
INR	(739)	(792)
SGD	(4,287)	(2,891)
	(1,177,044)	**(485,782)**

The above sensitivity analysis is based on a reasonably possible change in the underlying foreign currency against the respective USD while assuming all other variables to be constant.

Capital risk

Company's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares, declare dividends, return capital to shareholders, etc. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

The Company monitors capital using a gearing ratio, which is net debt divided by a total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

Net Gearing Ratio: Since the company is not having any debt, gearing ratio has not been calculated.

27. 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:

	Carrying value as of		Fair value as of	
	March 31, 2021	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
Financial assets				
Measured at amortised cost				
Loans and security deposit	30,403,023	28,778,649	30,403,023	28,778,649
Trade receivables	10,043,111	12,672,448	10,043,111	12,672,448
Cash and cash equivalents	1,911,083	3,426,624	1,911,083	3,426,624
Unbilled revenue	20,273,047	15,619,197	20,273,047	15,619,197
Other financial assets	904,935	907,970	904,935	907,970
	63,535,199	**61,404,888**	**63,535,199**	**61,404,888**
Financial liabilities				
Measured at amortised cost				
Trade payables	68,036,603	52,956,905	68,036,603	52,956,905
Other financial liabilities	2,997,689	959,888	959,888	959,888
	71,034,292	**53,916,793**	**68,996,491**	**53,916,793**

The carrying value of loans, deposits, trade receivables, trade payables, other current financial assets and liabilities approximate their fair value mainly due to the short term maturities of these instruments.

28. Related party disclosure

In accordance of the requirement of Ind AS- 24 on Related Party Disclosures, the name of the related parties where control exists and / or with whom transactions have taken place during the year and description of the relationships are as following:

List of related parties	Relationship
Bharti International (Singapore) Pte. Ltd.	Parent Company
Bharti Airtel Limited	Intermediate Parent Company
Network i2i Limited	Intermediate Parent Company
Bharti Enterprise (Holding) Private Limited	Ultimate controlling entity
Bharti Airtel Services Limited	Fellow Subsidiary
Bharti Airtel (USA) Limited	Fellow Subsidiary
Bharti Airtel (Hongkong) Limited	Fellow Subsidiary
Bharti Airtel (France) SAS	Fellow Subsidiary
Airtel (Seychelles) Limited	Fellow Subsidiary
Airtel Networks Limited	Fellow Subsidiary
Airtel Congo S.A	Fellow Subsidiary
Airtel Gabon S.A.	Fellow Subsidiary
Airtel Madagascar S.A.	Fellow Subsidiary
Airtel Malawi plc	Fellow Subsidiary
Airtel Networks Kenya Limited	Fellow Subsidiary
Airtel Networks Zambia Plc	Fellow Subsidiary
Airtel Rwanda Limited	Fellow Subsidiary
Airtel Tanzania plc	Fellow Subsidiary
Airtel Tchad S.A.	Fellow Subsidiary
Airtel Uganda Limited	Fellow Subsidiary
Celtel Niger S.A.	Fellow Subsidiary
Airtel Congo (RDC) S.A.	Fellow Subsidiary
Bharti Airtel Lanka (Private) Limited	Fellow Subsidiary
Nxtra Data Limited	Fellow Subsidiary

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In the ordinary course of business, there are certain transactions with the related parties, and all these transactions are on arm length basis. The transactions with related parties for the year ended March 31, 2021 and March 31, 2020 respectively, are described below:

The significant related party transactions are summarised below:

S. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1	**Rendering of services**		
	Bharti Airtel Limited	222,964,211	215,682,032
	Bharti Airtel Lanka (Private) Limited	28,503	-
	Bharti Airtel (USA) Limited	167,660	158,043
	Bharti Airtel (Hongkong) Limited	21,497	54,473
	Bharti International (Singapore) Pte. Ltd.	642,039	700,663
	Network i2i Limited	92,174	132,428
	Bharti Airtel (France) SAS	491,564	145,204
	Airtel (Seychelles) Limited	286,240	415,301
	Airtel Networks Limited	11,839,778	13,905,216
	Airtel Congo S.A	3,477,894	4,967,063
	Airtel Gabon S.A.	156,871	176,198
	Airtel Madagascar S.A.	67,207	151,679
	Airtel Malawi plc	1,343,180	1,246,855
	Airtel Networks Kenya Limited	1,525,616	2,348,673
	Airtel Networks Zambia Plc	570,560	1,181,653
	Airtel Rwanda Limited	297,877	329,681
	Airtel Tanzania plc	630,615	751,472
	Airtel Tchad S.A.	1,966,282	2,194,123
	Airtel Uganda Limited	194,388	593,240
	Airtel Congo (RDC) S.A.	1,465,291	2,212,802
	Celtel Niger S.A.	2,442,544	2,665,443
		250,671,991	**250,012,242**
2	**Purchase of goods / Receiving of services**		
	Bharti Airtel Limited	(224,205,876)	(189,663,868)
	Bharti Airtel Lanka (Private) Limited	(77,214)	-
	Bharti Airtel (USA) Limited	(626,016)	(379,516)
	Bharti Airtel (Hongkong) Limited	(68,945)	(59,301)
	Bharti International (Singapore) Pte. Ltd.	(591,013)	(451,305)
	Network i2i Limited	(5,714,017)	(1,594,793)
	Bharti Airtel (France) SAS	(735,489)	(1,020,741)
	Airtel (Seychelles) Limited	(664,149)	(1,123,435)
	Airtel Networks Limited	(18,738,486)	(18,807,982)
	Airtel Congo S.A	(3,205,664)	(4,586,030)
	Airtel Gabon S.A.	(442,984)	(421,130)
	Airtel Madagascar S.A.	(967,672)	(854,351)
	Airtel Malawi plc	(2,744,109)	(5,061,362)
	Airtel Networks Kenya Limited	(2,320,845)	(2,640,602)
	Airtel Networks Zambia Plc	(3,570,865)	(2,825,453)
	Airtel Rwanda Limited	(1,575,042)	(1,872,880)
	Airtel Tanzania plc	(1,339,524)	(2,130,022)
	Airtel Tchad S.A.	(3,659,303)	(4,362,319)
	Airtel Uganda Limited	(1,312,549)	(1,102,079)
	Airtel Congo (RDC) S.A.	(3,239,067)	(3,918,025)
	Celtel Niger S.A.	(2,367,279)	(8,869,477)
		(278,166,108)	**(251,744,671)**
3	**Loan given**		
	Network i2i Limited	(1,624,379)	(13,416,085)
		(1,624,379)	(13,416,085)
4	**Interest income**		
	Network i2i Limited	255,306	762,311
		255,306	762,311

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

S. No.	Particulars	As of March 31, 2021	As of March 31, 2020
1	**Loan given**		
	Network i2i Limited	30,402,989	28,778,610
		30,402,989	28,778,610
2	**Interest receivable**		
	Network i2i Limited	904,935	907,970
		904,935	907,970
3	**Receivables / (payables)**		
	Bharti Airtel Limited	484,651	1,704,122
	Bharti Airtel Services Limited	21	23
	Nxtra Data Limited	(26,758)	-
	Bharti Airtel Lanka (Private) Limited	(46,512)	-
	Bharti Airtel (USA) Limited	(82,261)	25,926
	Bharti Airtel (Hongkong) Limited	(9,620)	(3,743)
	Bharti International (Singapore) Pte. Ltd.	(243,373)	(77,725)
	Network i2i Limited	(857,114)	174,379
	Bharti Airtel (France) SAS	(98,136)	(183,131)
	Airtel (Seychelles) Limited	(175,735)	(479,173)
	Airtel Networks Limited	(3,595,288)	(3,412,281)
	Airtel Congo S.A	956,924	546,713
	Airtel Gabon S.A.	(63,820)	7,958
	Airtel Madagascar S.A.	(343,866)	(350,688)
	Airtel Malawi plc	(2,260,451)	(1,027,745)
	Airtel Networks Kenya Limited	(1,581,429)	676,040
	Airtel Networks Zambia Plc	(1,790,104)	(355,604)
	Airtel Rwanda Limited	(1,155,640)	(484,193)
	Airtel Tanzania plc	(657,162)	(421,130)
	Airtel Tchad S.A.	(2,117,089)	(630,908)
	Airtel Uganda Limited	(1,229,133)	(106,639)
	Airtel Congo (RDC) S.A.	(1,306,547)	(593,827)
	Celtel Niger S.A.	(9,223,566)	(9,921,170)
		(25,422,008)	**(14,912,796)**

Outstanding balances pertaining to above related parties at the year end are unsecured and and settlement occurs in cash.

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29. Earnings per share ('EPS')

The details used in the computation of basic and diluted EPS:

	For the year ended	
	March 31, 2021	**March 31, 2020**
(Loss) / Profit attributable to equity shareholders as per statement of profit and loss (A)	(7,751,625)	4,570,731
Weighted average number of equity shares for calculation of basic earning per share (B)	333,935	333,935
Weighted average number of equity shares for calculation of diluted earning per share (C)	333,935	333,935
Equity share of face value GBP 1 per share		
Basic (A / B)	**(23.21)**	**13.69**
Diluted (A / C)	**(23.21)**	**13.69**

30. Segment Reporting

Based on the way the entity manages its operating business, and the manner in which resource allocation decisions are made, the entity has only one reportable segment for financial reporting purposes. Accordingly, no operating segment financial information is disclosed.

31. 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 not experienced any loss of significant customer on account of force majeure clauses in the revenue contracts. Besides, the Company has also assessed its other arrangements and no changes in terms of those arrangements are expected due to COVID-19.

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.