Bharti Airtel (UK) Limited

Special Purpose Ind AS Financial Statements

March 2020

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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 2020, 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 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 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 on the basis of these SPFS.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 standalone financial statements 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 standalone financial statements.

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: 20130054AAAAVY3928

Place: Gurugram
Date: 24-July-2020

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

	Notes	As of		
		March 31, 2020	**March 31, 2020**	**March 31, 2019**
		Unaudited (INR '000)	**Audited**	**Audited**
Assets				
Non-current assets				
Property, plant and equipment (Including CWIP)	5	386,958	4,123,063	3,716,202
Intangible assets	6	-	-	4,030,006
Other non-current assets	7	474,852	5,059,571	-
		861,810	**9,182,634**	**7,746,208**
Current assets				
Inventories		81,729	870,827	-
Financial assets				
- Trade receivables	9	1,189,336	12,672,448	11,070,526
- Loans and security deposits	8	2,700,938	28,778,649	15,362,564
- Cash and cash equivalents	10	321,596	3,426,624	4,959,198
- Unbilled Revenue		1,465,895	15,619,197	15,307,812
- Others	11	85,215	907,970	264,401
Other current assets	12	205,024	2,184,540	735,861
		6,049,733	**64,460,255**	**47,700,362**
Total Assets		**6,911,543**	**73,642,889**	**55,446,570**
Equity and Liabilities				
Equity				
Equity share capital	13	31,341	333,935	333,935
Other equity		1,314,080	14,001,596	8,893,172
Total equity		**1,345,421**	**14,335,531**	**9,227,107**
Non-current liabilities				
Deferred revenue		217,875	2,321,468	2,432,666
Deferred tax liabilities (net)	14	25,294	269,514	246,129
		243,169	**2,590,982**	**2,678,795**
Current liabilities				
Financial liabilities				
- Trade payables	15	4,970,118	52,956,905	41,226,272
- Others	16	90,088	959,888	81,229
Deferred revenue		253,188	2,697,733	1,927,174
Provisions	17	-	-	8,290
Current tax liabilities (net)		9,559	101,850	239,651
Other current liabilities	18	-	-	58,052
		5,322,953	**56,716,376**	**43,540,668**
Total liabilities		**5,566,122**	**59,307,358**	**46,219,463**
Total equity and liabilities		**6,911,543**	**73,642,889**	**55,446,570**

The accompanying notes 1 to 32 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)

SD/-
Nilesh H. Lahoti
Partner
(Membership No. 130054)

Place: **New Delhi**

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

SD/-

Director

Date: July 24, 2020

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

	Notes	For the year ended		
		March 31, 2020 Unaudited (INR '000)	March 31, 2020 Audited	March 31, 2019 Audited
Income				
Revenue from operations	19	39,944,853	425,614,754	341,841,793
Other income	20	3	27	12,082
		39,944,856	**425,614,781**	**341,853,875**
Expenses				
Cost of goods sold		93,523	996,492	-
Network operating expenses		2,203,458	23,477,974	19,458,106
Access charges		36,777,596	391,867,445	314,012,295
License Fee & Spectrum Charges		32,092	341,945	303,030
Employee benefits expense	21	239,383	2,550,639	2,142,164
Other expenses	22	66,374	707,221	2,738,241
		39,412,426	**419,941,716**	**338,653,836**
Profit from operating activities before depreciation and amortisation expense		**532,430**	**5,673,065**	**3,200,039**
Depreciation and amortisation expense	23	71,177	758,392	1,023,314
Finance costs	24	1,402	14,937	-
Finance income	24	(71,545)	(762,311)	(1,234,148)
Profit before tax		**531,396**	**5,662,047**	**3,410,873**
Tax expense				
Current tax	25	101,377	1,080,176	648,557
Deferred tax	25	1,046	11,140	13,257
Profit for the year		**428,973**	**4,570,731**	**2,749,059**
Other comprehensive income				
Items to be reclassified subsequently to profit or loss:				
Net gain/(loss) due to foreign currency translation differences		50,464	537,693	541,244
Other comprehensive loss for the year		**50,464**	**537,693**	**541,244**
Total comprehensive income for the year		**479,437**	**5,108,424**	**3,290,303**
Earnings per share (face value of GBP 1/- each)				
Basic	30	1,284.60	13.69	8.23
Diluted	30	1,284.60	13.69	8.23

The accompanying notes 1 to 32 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)

SD/-
Nilesh H. Lahoti
Partner
(Membership No. 130054)

Place: **New Delhi**

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

SD/-

Director

Date: July 24, 2020

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

	Share Capital		Other equity				Total Equity
	No. of Shares	Amount	Securities premium	Retained earnings	Foreign currency translation reserve	Total	
At April 1, 2018	333,935	333,935	3,005,411	4,340,006	(1,742,548)	**5,602,869**	**5,936,804**
Profit for the year	-	-	-	2,749,059	-	**2,749,059**	**2,749,059**
Other comprehensive gain for the year	-	-	-	-	541,244	**541,244**	**541,244**
At March 31, 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 gain for the year	-	-	-	-	537,693	**537,693**	**537,693**
At March 31, 2020	333,935	333,935	3,005,411	11,659,796	(663,611)	**14,001,596**	**14,335,531**

The accompanying notes 1 to 32 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)

SD/-
Nilesh H. Lahoti
Partner
(Membership No. 130054)

Place: **New Delhi**

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

SD/-

Director

Date: July 24, 2020

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flows from operating activities		
Profit before tax	5,662,047	3,410,872
Adjustments for:		
Depreciation expense	758,392	1,023,313
Finance income	(762,311)	(1,234,148)
Provision for doubtful debts	(348,160)	1,515,615
Bad debts written off	5,415	1,941
Finance cost	14,937	-
Other non cash items	(9,121)	(773,958)
Operating cash flow before changes in working capital	**5,321,199**	**3,943,635**
Changes in working capital		
Trade receivables	(685,560)	5,000,571
Trade payables	9,544,738	3,416,570
Inventories	(870,827)	-
Other financial and non-financial liabilities	304,315	(928,387)
Other financial and non-financial assets	(770,576)	(8,517,751)
Net cash generated from operations before tax	**12,843,289**	**2,914,638**
Income tax (paid)	(1,227,469)	(584,498)
Net cash generated from operating activities (a)	**11,615,820**	**2,330,140**
Cash flows from investing activities		
Purchase of property, plant and equipment	(53,384)	(1,568,479)
Purchase of intangible assets	-	(534,344)
Loans (given)/repayment received	(13,416,085)	2,228,409
Finance income	118,742	1,240,114
Net cash used in investing activities (b)	**(13,350,727)**	**1,365,700**
Cash flows from financing activities		
Finance charges paid	(14,938)	
Net cash used in financing activities (c)	**(14,938)**	-
Net (decrease)/Increase in cash and cash equivalents during the year (a+b+c)	**(1,749,845)**	**3,695,840**
Add : Cash and cash equivalents as at the beginning of the year	4,959,198	1,128,267
Effect of foreign exchange translation	217,271	135,091
Cash and cash equivalents as at the end of the year	**3,426,624**	**4,959,198**

The accompanying notes 1 to 32 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)

SD/-
Nilesh H. Lahoti
Partner
(Membership No. 130054)

Place: **New Delhi**

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

SD/-

Director

Date: July 24, 2020

1 Corporate Information

Bharti Airtel UK Limited ("the company") is domiciled and incorporated in United Kingdom under the Companies Act 2006 as a private limited company by shares. The principal place of business and 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. Bharti Airtel Limited, is the intermediate parent entity, is a company incorporated in India and listed on the stock exchange in India.

2 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 section 136 (1) of the under Companies Act 2013. These financial statements have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard ('Ind AS') as notified by the Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act. These financial statements are not statutory financial statements under U.K. Corporation Law.

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 4.

These special purpose financial statements are prepared in GBP, whereas the functional currency of the Company is USD '$'. Therefore, all the amounts included in the financial statements are reported in 'GBP' and are rounded to the nearest thousands, except per share data and unless stated otherwise. Further, due to rounding off, certain amounts are appearing as '0'.

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. 93.852, the RBI reference rate as announced by the Reserve Bank of India (RBI) on March 31, 2020. Such translations should not be construed as representations that the Rupee amounts represent, or have been or could be converted into, GBP at that or any other rate.

The financial statements for the year ended March 31, 2020 were approved for issue by the Board of Directors on July 24, 2020.

New Standards and amendments adopted during the year

The Company has applied the following Standards and amendments for the first time for their annual reporting period commencing April 1, 2019:

- Ind AS 116, Leases
- Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments

Ind AS 116, Leases

MCA had notified Ind AS 116 'Leases' effective for annual reporting periods beginning on or after April 01, 2019. The Company has applied Ind AS 116 using the modified retrospective approach. Ind AS 116 does not have a material impact on the financial statements of the Company.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments

MCA had notified Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments, effective for annual reporting periods beginning on or after April 1, 2019. Appendix C to Ind AS 12 addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12, Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. Appendix C to Ind AS 12 addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company has applied Appendix C to Ind AS retrospectively with the cumulative effect of initial application recognised at the date of initial application.

Upon application of Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Company's tax filings include deductions and the taxation authorities may challenge those tax treatments. The Company determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. Appendix C to Ind AS 12 does not have a material impact on the financial statements of the Company in addition to what the Company has already recorded/ disclosed.

2.1 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 paid to transfer a liability, in an orderly transaction between market participants. The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities 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.

Going Concern

The Directors believe that the Company has considerable financial resources. The Directors' assessment has been made with reference to the Company's favourable net current assets position, forecasts of positive future cash inflows, our 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.

3 Summary of Significant Accounting Policies

a. 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 property, plant and equipment are required to be replaced in regular intervals, the Company recognises such parts as separate component of assets.

The expenditures that are incurred after the item of PPE has been put to 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.

An asset will be depreciated as and when the asset is ready to use in the period.

(a) Depreciation on PPE is computed using the straight-line method over the estimated useful lives which are as follows:

Plant & machinery	-	8 to 10 years
Computers	-	1 to 5 years

b. Intangible assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be measured reliably. The intangible assets are initially recognised at cost. These assets having finite useful life are carried at cost less accumulated amortisation and impairment losses. Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

Impairment of non-financial assets

PPE and intangible assets with definite lives, 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. Impairment losses, if any, are recognised in statement of profit and loss.

c. Financial instruments

I. 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.

II. Measurement – Non-derivative financial instruments

1. 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.

2. Subsequent measurement - financial assets

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

a) 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.

b) 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 finance 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.

3. 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).

III. Derecognition

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

d. 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, in the opinion of the directors of the Company, 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).

e. 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:

I. 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.

II. 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.

III. Interest income

The interest income is recognised using the EIR method. For further details, refer note 3(c).

f. Taxes

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

I. 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.

II. 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 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.

g. 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.

h. 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.

i. 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.

j. 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.

k. 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).

l. Share capital

Ordinary shares are classified as Equity when the Company has an un-conditional 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.

m. 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.

4 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.

a. 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:

I. Useful lives of PPE

As described at note 3(a) above, the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. After considering market conditions, industry practice, technological developments and other factors, the Company determined that the current useful lives of its PPE remain appropriate. However, changes in economic conditions of the markets, competition and technology, among others, are unpredictable and they may significantly impact the useful lives of PPE and therefore the depreciation charges.

II. Allowance for impairment of trade receivables

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

b. Critical judgement's in applying the Company's accounting policies

I. 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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5. **Property, plant and equipment**

	Plant & machinery	Computers	Total
Gross Carrying value			
At April 1, 2018	**5,842,051**	**1,844**	**5,843,895**
Additions	1,506,923	-	**1,506,923**
Disposal	(616,096)	-	**(616,096)**
Currency Translation	455,684	142	**455,826**
At March 31, 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
At March 31, 2020	**8,318,242**	**14,620**	**8,332,862**
Accumulated Depreciation			
At April 1, 2018	**3,093,113**	**1,844**	**3,094,957**
Charge for the year	708,048	-	708,048
Disposal	(575,833)	-	(575,833)
Currency translation	243,516	142	243,658
At March 31, 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
At March 31, 2020	**4,408,245**	**14,617**	**4,422,862**
Net Carrying Value			
At March 31, 2020	**3,909,997**	**3**	**3,910,000**
At March 31, 2019	**3,719,718**	-	**3,719,718**

The carrying amount of capital work-in-progress as at March 31, 2020 and March 31, 2019 is 213,063 and (3,516).

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6. Intangible

	Bandwidth
Gross carrying value	
At April 1, 2018	**4,473,182**
Additions	611,279
Currency translation	348,543
At March 31, 2019	**5,433,004**
As of April 01, 2019	5,433,004
Transition impact of Ind AS 116	(5,433,004)
Adjusted balance as of April 01, 2019	-
At March 31, 2020	-
Accumulated Amortisation	
At April 1, 2018	**1,007,918**
Charge for the year	315,266
Currency translation	79,814
At March 31, 2019	**1,402,998**
As on April 01, 2019	1,402,998
Transition impact of Ind AS 116	(1,402,998)
Adjusted balance as of April 01, 2019	-
At March 31, 2020	-
Net Carrying Value	
At March 31, 2020	-
At March 31, 2019	**4,030,006**

7. Other non-current assets

	As of	
	March 31, 2020	**March 31, 2019**
Prepaid Expenses	5,053,309	-
Others	6,262	-
Total	**5,059,571**	-

8. Loans and Security deposits
Current

	As of	
	March 31, 2020	**March 31, 2019**
Loans*	28,778,610	15,361,036
Security deposits	39	1,528
Total	**28,778,649**	**15,362,564**

*Includes Loans to Network i2i Limited. Loan amount is unsecured and interest bearing at an average 3.33% (previous year average 3.71%) Inter-bank Offered rate ('LIBOR') for the three months ended plus 110 basis points.

9. Trade receivables

	As of	
	March 31, 2020	**March 31, 2019**
Trade receivable considered good, unsecured	11,667,674	8,372,816
Less: Allowance for doubtful debts	(2,133,209)	(2,370,470)
	9,534,465	**6,002,346**
Amount due from related parties (Refer Note 29)	3,137,983	5,068,180
Total	**12,672,448**	**11,070,526**

Refer note 27(i) for credit risk.

10. Cash and cash equivalents

	As of	
	March 31, 2020	**March 31, 2019**
Balance with banks -		
on current accounts	3,426,623	4,925,215
Cheques on hand	-	33,982
Cash on hand	1	1
Total	**3,426,624**	**4,959,198**

11. Other financial assets

Current

	As of	
	March 31, 2020	**March 31, 2019**
Interest accrued* (Refer Note 29)	907,970	264,401
Total	**907,970**	**264,401**

* Interest income includes amount outstanding of GBP 907,970 and GBP 264,401 from Network i2i Limited for the year ended March 31, 2020 and 2019, respectively.

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12. Other current assets

	As of	
	March 31, 2020	**March 31, 2019**
Prepaid expenses	1,219,156	698,407
Taxes Recoverable	822,758	-
Advances to suppliers	142,626	37,454
Total	**2,184,540**	**735,861**

13. Equity Share Capital

	As of	
	March 31, 2020	**March 31, 2019**
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

	As of March 31, 2020		As of March 31, 2019	
Particulars	**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

	As of March 31, 2020		As of March 31, 2019	
Name of the shareholder	**No. of shares**	**% holding**	**No. of shares**	**% holding**
Bharti International (Singapore) Pte Ltd, the holding company	333,935	100.00%	333,935	100.00%

13.1 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 change in exchange rates.

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

14. Deferred tax liability

	For the year ended	
	March 31, 2020	**March 31, 2019**
At beginning of year	246,129	217,069
Impact of exchange difference on deferred tax	(3,282)	2,056
Reversal of previously recognised deferred tax	15,527	13,747
Tax expense recognised during the year in income statement	11,140	13,257
At end of year	**269,514**	**246,129**

Deferred Tax Liability relates to the following:	As of	
	March 31, 2020	**March 31, 2019**
Accelerated capital allowances	269,514	253,532
Other deductions	-	(7,403)
	269,514	**246,129**

	For the year ended	
Deferred Tax Expenses :-	**March 31, 2020**	**March 31, 2019**
Provision for employees dues	(10,684)	(10,033)
Accelerated capital allowance	(456)	(3,224)
	(11,140)	**(13,257)**

15. Trade payables

	As of	
	March 31, 2020	**March 31, 2019**
Trade creditors	29,898,031	23,480,019
Accrued expenses	5,010,917	3,017,674
Amount due to related parties (Refer Note 29)	18,047,957	14,728,579
Total	**52,956,905**	**41,226,272**

Refer note 27(ii) for liquidity risk details.

16. Other financial liabilities

	As of	
	March 31, 2020	**March 31, 2019**
Payable against capital expenditure	959,738	35,291
Dues to employees	-	45,938
Others	150	-
Total	**959,888**	**81,229**

17. Provisions

Current

	As of	
	March 31, 2020	**March 31, 2019**
Employee benefits - leave encashment	-	8,290
Total	-	**8,290**

18. Other current liabilities

	As of	
	March 31, 2020	**March 31, 2019**
Taxes payable	-	58,052
Total	-	**58,052**

19. Revenue from operations

	For the year ended	
	March 31, 2020	**March 31, 2019**
Service Revenue	424,449,266	341,841,793
Sale of products	1,165,488	-
Total	**425,614,754**	**341,841,793**

Disaggregation of Revenue

Revenue is disaggregated by timing of revenue recognition.

	For the year ended	
	March 31, 2020	**March 31, 2019**
Services transferred at a point in time	1,165,488	-
Services transferred over time	424,449,266	341,841,793
	425,614,754	**341,841,793**

	For the year ended	
	March 31, 2020	**March 31, 2019**
Voice Revenue	377,027,412	301,899,715
Messaging Revenue	19,786,835	17,501,250
Data Revenue	28,800,507	22,440,828
	425,614,754	**341,841,793**

Contract Balances

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

	As of	
	March 31, 2020	March 31, 2019
Unbilled revenue	15,619,197	15,307,813
Deferred revenue	5,019,201	4,359,840
-Current	2,697,733	1,927,174
-Non-Current	2,321,468	2,432,666

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

	As of	
	March 31, 2020	March 31, 2019
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	-
Increases due to cash received, excluding amounts recognised as revenue during the period	-	-
Transfers from contract assets recognised at the beginning of the period to receivables	15,307,813	6,706,668

20. Other income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Miscellaneous income	27	12,082
Total	**27**	**12,082**

21. Employee benefits expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages	30,809	137,196
Social security costs	9,199	21,984
Allowances and bonus	2,510,631	1,982,984
Total	**2,550,639**	**2,142,164**

22. Other expenses

	For the year ended	
	March 31, 2020	**March 31, 2019**
Bad Debts written off	5,415	1,941
Allowance for doubtful debts	(348,160)	1,515,615
Consultancy Charges*	151,211	233,108
Rent expenses	-	3,761
Bank Charges	1,728	52,540
Other administrative expenses	774,365	795,643
Sales & Marketing Expense	122,662	135,633
Total	**707,221**	**2,738,241**

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

	For the year ended	
	March 31, 2020	**March 31, 2019**
Amounts paid to statutory auditors in respect of their audit of statutory accounts	10,088	10,099
	10,088	**10,099**

23. Depreciation and amortisation expense

	For the year ended	
Particulars	**March 31, 2020**	**March 31, 2019**
Depreciation	758,392	708,048
Amortisation	-	315,266
Total	**758,392**	**1,023,314**

24. Finance income & cost

Finance income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income	762,311	481,810
Net exchange gain	-	752,338
Total	**762,311**	**1,234,148**

Finance cost

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net exchange loss	14,937	-
Total	**14,937**	-

25. Tax Expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit for the year	1,080,176	648,557
Adjustments in respect of prior periods	-	-
Deferred tax		
Origination and reversal of timing differences	11,140	13,257
Total Deferred tax	11,140	13,257
Tax on profit/loss from ordinary activities	**1,091,316**	**661,814**
Reconciliation of tax expenses		
Profit before tax	5,662,047	3,410,872
Tax at effective rate of 19%	1,075,789	648,067
Adjustments:		
Adjustments in respect of prior periods	15,527	13,747
Income tax expenses recognised in income statement	**1,091,316**	**661,814**

26. Capital Commitments

The company has contractual commitments towards capital expenditure (net of related advances) of GBP 8,294,324 and GBP 857,372 as of March 31, 2020 and March 31, 2019.

27. Financial and Capital 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 29. 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 53,916,793 and 41,307,501 as at March 31, 2020 and 2019, 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 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 profit before tax
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
For the year ended March 31, 2019		
EUR	5%	(18,526)
	-5%	18,526
GBP	5%	(25,836)
	-5%	25,836
INR	5%	(23)
	-5%	23

Currency profile

	Financial liabilities March 31, 2020	Financial liabilities March 31, 2019
EUR	(205,534)	(370,511)
GBP	(276,564)	(516,718)
INR	(792)	(469)
SGD	(2,891)	-
	(485,781)	**(887,698)**

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

(v) Capital Management:

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.

28. Fair value of financial assets and liabilities

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

	As at March 31, 2020		As at March 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised cost				
Loans and security deposits	28,778,649	28,778,649	15,362,564	15,362,564
Trade receivables	12,672,448	12,672,448	11,070,526	11,070,526
Cash and cash equivalents	3,426,624	3,426,624	4,959,198	4,959,198
Unbilled revenue	15,619,197	15,619,197	15,307,812	15,307,812
Others	907,970	907,970	264,401	264,401
Financial liabilities				
Measured at amortised cost				
Trade payables	52,956,905	52,956,905	41,226,272	41,226,272
Others	959,888	959,888	81,229	81,229

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.

29. Related party disclosure

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 Enterprises (Holding) Private Limited	Ultimate controlling entity
Bharti Airtel Services Limited	Fellow Subsidiaries
Bharti Airtel (USA) Limited	Fellow Subsidiaries
Bharti Airtel (Hong Kong) Limited	Fellow Subsidiaries
Bharti Airtel (Japan) Limited	Fellow Subsidiaries
Bharti Airtel (France) SAS	Fellow Subsidiaries
Airtel Seychelles Limited	Fellow Subsidiaries
Airtel Networks Limited	Fellow Subsidiaries
Airtel Congo S.A.	Fellow Subsidiaries
Airtel Gabon S.A.	Fellow Subsidiaries
Airtel Madagascar S.A.	Fellow Subsidiaries
Airtel Malawi Limited	Fellow Subsidiaries
Airtel Networks Kenya Limited	Fellow Subsidiaries
Airtel Networks Zambia Plc.	Fellow Subsidiaries
Airtel Rwanda Limited	Fellow Subsidiaries
Airtel Tanzania Limited	Fellow Subsidiaires
Airtel Tchad S.A.	Fellow Subsidiaries
Airtel Uganda Limited	Fellow Subsidiaries
Airtel Ghana Limited	J.V. of parent company
Celtel Niger S.A.	Fellow Subsidiaries
Airtel Congo (RDC) S.a.r.l.	Fellow Subsidiaries

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S.No	Particulars	As of March 31, 2020	As of March 31, 2019
1	**Loan given**		
	Network i2i Limited	28,778,610	15,361,036
		28,778,610	**15,361,036**
2	**Interest receivable**		
	Network i2i Limited	907,970	264,401
		907,970	**264,401**
3	**Receivables/ (Payables)**		
	Bharti Airtel Limited	1,704,122	5,037,164
	Bharti Airtel Services Limited	23	22
	Bharti Airtel (USA) Limited	25,926	(51,307)
	Bharti Airtel (Hong Kong) Limited	(3,743)	(4,805)
	Bharti International (Singapore) Pte. Ltd.	(77,725)	(51,469)
	Network i2i Limited	174,379	(44,096)
	Bharti Airtel (Japan) Limited	-	(1,140)
	Bharti Airtel (France) SAS	(183,131)	(385,426)
	Jersey Airtel Limited	2,521	30,705
	Airtel (Seychelles) Limited	(479,173)	(219,534)
	Airtel Networks Limited	(3,412,281)	(626,434)
	Airtel Congo S.A	546,713	(59,403)
	Airtel Gabon S.A.	7,958	(4,528)
	Airtel Madagascar S.A.	(350,688)	(225,677)
	Airtel Malawi Limited	(1,027,745)	(992,604)
	Airtel Networks Kenya Limited	676,040	(303,640)
	Airtel Networks Zambia Plc	(355,604)	(738,801)
	Airtel Rwanda Limited	(484,193)	(225,719)
	Airtel Tanzania Limited	(421,130)	(621,275)
	Airtel Tchad S.A.	(630,908)	(1,634,702)
	Airtel Uganda Limited	(106,639)	(107,170)
	Airtel Congo (RDC) SA	(593,827)	(1,127,926)
	Celtel Niger S.A.	(9,921,170)	(7,302,927)
		(14,910,275)	**(9,660,692)**

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

Transactions with Related parties-

S.No	Particulars	For the year ended March 31, 2020	March 31, 2019
1	**Rendering of services**		
	Bharti Airtel Limited	215,682,032	176,019,800
	Bharti Airtel (USA) Limited	158,043	22,427
	Bharti Airtel (Hong Kong) Limited	54,473	57,899
	Bharti International (Singapore) Pte. Ltd.	700,663	442,268
	Network i2i Limited	132,428	177,414
	Bharti Airtel (France) SAS	145,204	1,284,096
	Jersey Airtel Limited	8,557	14,204
	Airtel (Seychelles) Limited	415,301	327,317
	Airtel Networks Limited	13,905,216	9,569,165
	Airtel Congo S.A	4,967,063	5,410,459
	Airtel Gabon S.A.	176,198	192,022
	Airtel Madagascar S.A.	151,679	82,088
	Airtel Malawi Limited	1,246,855	1,962,308
	Airtel Networks Kenya Limited	2,348,673	784,685
	Airtel Networks Zambia Plc	1,181,653	1,212,185
	Airtel Rwanda Limited	329,681	672,985
	Airtel Tanzania Limited	751,472	817,107
	Airtel Tchad S.A.	2,194,123	2,710,339
	Airtel Uganda Limited	593,240	449,078
	Airtel Congo (RDC) SA	2,212,802	2,927,928
	Celtel Niger S.A.	2,665,443	3,106,276
		250,020,799	**208,242,050**
2	**Purchase of goods / Receiving of services**		
	Bharti Airtel Limited	(189,663,868)	(149,579,075)
	Bharti Airtel (USA) Limited	(379,516)	(453,832)
	Bharti Airtel (Hong Kong) Limited	(59,301)	(7,699)
	Bharti International (Singapore) Pte. Ltd.	(451,305)	(573,150)
	Network i2i Limited	(1,594,793)	(938,090)
	Bharti Airtel (Japan) Limited	-	(20,161)
	Bharti Airtel (France) SAS	(1,020,741)	(1,208,353)
	Airtel (Seychelles) Limited	(1,123,435)	(1,067,106)
	Airtel Networks Limited	(18,807,982)	(14,613,683)
	Airtel Congo S.A	(4,586,030)	(6,605,679)
	Airtel Gabon S.A.	(421,130)	(282,528)
	Airtel Madagascar S.A.	(854,351)	(600,698)
	Airtel Malawi Limited	(5,061,362)	(4,266,476)
	Airtel Networks Kenya Limited	(2,640,602)	(2,865,763)
	Airtel Networks Zambia Plc	(2,825,453)	(2,985,539)
	Airtel Rwanda Limited	(1,872,880)	(2,023,782)
	Airtel Tanzania Limited	(2,130,022)	(1,943,302)
	Airtel Tchad S.A.	(4,362,319)	(4,794,736)
	Airtel Uganda Limited	(1,102,079)	(696,278)
	Airtel Congo (RDC) SA	(3,918,025)	(5,356,494)
	Celtel Niger S.A.	(8,869,477)	(10,629,434)
		(251,744,671)	**(211,511,858)**
3	**Loans given**		
	Network i2i Limited	(13,416,085)	-
		(13,416,085)	-
4	**Repayment of Loans given**		
	Network i2i Limited	-	2,228,409
		-	**2,228,409**
5	**Interest income**		
	Network i2i Limited	762,311	481,810
		762,311	**481,810**

30. Earnings per share (EPS)

	March 31, 2020	March 31, 2019
Profit after Tax	4,570,731	2,749,059
Weighted average no.of shares outstanding	333,935	333,935
Basic and Diluted EPS	**13.69**	**8.23**

31. 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 further operating segment financial information is disclosed.

32. COVID-19

COVID-19 pandemic has resulted in worldwide issues with restrictions imposed on movement of people and goods. Consequently, the Company formulated a robust Business Continuity Plan to ensure that its operations are not disrupted. The Company has considered a range of possible scenarios to understand potential outcomes on its business and plan appropriately.

A detail assessment has been carried out by the Company with regards to impact on revenue and costs. Impact due to any extended credit terms, cancelled orders, change in contractual terms, price concession request, onerous obligations etc. were comprehensively evaluated for any risk due to COVID-19 on revenue recognized and collectability thereof and no material impact has been noted. 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 also re-assessed its financial risk management policies and impact of any change on the related disclosures in the financial statements, on counterparty credit, liquidity risk and foreign currency risk and no material impact has been noted. Accordingly, there is no material impact on the financial statements for the year ended March 31, 2020.

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