Bharti International (Singapore) Pte. Ltd.

Ind AS Special purpose financial statements
March 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Bharti International (Singapore) Pte. Ltd.

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements (SPFS) of Bharti International (Singapore) Pte. Ltd. (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: 20130054AAAAWB2992

Place: Gurugram
Date: 24-July-2020

Bharti International (Singapore) Pte. Ltd.

Balance Sheet
(All amounts are in USD, unless stated otherwise)

	Notes	As of March 31, 2020 (in Rupees) (In Rs. '000) (Unaudited)	March 31, 2020 (in USD) (Audited)	March 31, 2019 (in USD) (Audited)
Assets				
Non-current assets				
Property, plant and equipment	5	1,392,157	18,396,523	14,561,363
Capital work-in-progress	5	8,026	106,060	1,257,807
Right-of-use assets	29	790	10,437	-
Intangible assets	6	-	-	88,967,778
Intangible assets under development	6	-	-	866,997
Investment in subsidaries and associates	7	34,048,635	449,932,407	449,932,407
Other non-current assets	8	5,556,440	73,425,045	281,698
		41,006,048	**541,870,472**	**555,868,050**
Current assets				
Inventories	9	177,683	2,347,981	1,634,612
Financial assets				
- Trade receivables	10	3,076,308	40,651,573	23,991,931
- Cash and cash equivalents	11	111,604	1,474,781	5,932,719
- Loans	12	1,381,796	18,259,610	14,119,511
- Others	13	156,651	2,070,044	2,139,809
Other current assets	14	1,172,297	15,491,203	2,426,902
		6,076,339	**80,295,192**	**50,245,484**
Total assets		**47,082,387**	**622,165,664**	**606,113,534**
Equity and liabilities				
Equity				
Equity share capital	15	148,604,351	1,963,717,883	1,963,717,883
Other equity		(132,169,147)	(1,746,536,466)	(1,745,542,946)
		16,435,204	217,181,417	218,174,937
Non-current liabilities				
Financial liabilities				
- Security deposit		1,173	15,500	15,500
Deferred tax liabilities (net)	17	145,433	1,921,812	1,563,156
Deferred revenue		5,389,478	71,218,733	63,587,257
		5,536,084	**73,156,045**	**65,165,913**
Current liabilities				
Financial liabilities				
- Borrowings	18	18,726,676	247,461,858	257,235,759
- Lease liabilities		1,103	14,580	-
-Trade payables		698,765	9,233,760	9,160,782
-Others	19	3,539,365	46,770,604	33,855,526
Deferred revenue		1,958,051	25,874,470	20,768,937
Current tax liabilities (net)		168,518	2,226,866	1,385,223
Other current liabilities		18,621	246,064	366,457
		25,111,099	**331,828,202**	**322,772,684**
Total liabilities		**30,647,183**	**404,984,247**	**387,938,597**
Total Equity and liabilities		**47,082,387**	**622,165,664**	**606,113,534**

The accompanying accounting policies and explanatory notes 1 to 34 form an integral part of the 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 International (Singapore) Pte. Ltd

Sd/-

Director

Date: July 24,2020

Bharti International (Singapore) Pte. Ltd.

Statement of Profit and Loss
(All amounts are in USD, unless otherwise stated)

	Notes	For the year ended March 31, 2020 (in Rupees) (In Rs. '000) (Unaudited)	March 31, 2020 (in USD) (Audited)	March 31, 2019 (in USD) (Audited)
Income				
Revenue from operations	**20**	10,453,638	138,138,599	121,631,669
Other income	**21**	43,809	578,905	317,719
		10,497,447	**138,717,504**	**121,949,388**
Expenses				
Network operating expenses		7,573,253	100,076,023	85,392,314
Cost of equipment sold		1,274,534	16,842,202	6,109,441
License fee		77,104	1,018,881	829,862
Employee benefits expense	**22**	88,840	1,173,968	1,064,452
Other operating expenses	**23**	310,867	4,107,925	6,480,620
		9,324,598	**123,218,999**	**99,876,689**
Profit from operating activities before depreciation and amotisation expense		**1,172,849**	**15,498,505**	**22,072,699**
Depreciation and amortisation expense	**24**	245,200	3,240,172	14,252,900
Finance costs	**25**	804,087	10,625,529	11,241,283
Profit before tax		**123,562**	**1,632,804**	**(3,421,484)**
Tax expense				
Current tax	**26**	170,823	2,257,318	1,070,576
Deferred tax	**26**	27,141	358,656	650,234
Loss for the year		**(74,402)**	**(983,170)**	**(5,142,294)**
Total comprehensive loss for the year		**(74,402)**	**(983,170)**	**(5,142,294)**
Earnings per share (In Rupee / USD)				
Basic and Diluted earnings per share	**31**	(0.06379)	(0.84300)	(4.40913)

The accompanying accounting policies and explanatory notes 1 to 34 form an integral part of the 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 International (Singapore) Pte. Ltd

Sd/-

Director

Date: July 24,2020

Bharti International (Singapore) Pte. Ltd.

Statement of Changes in Equity
(All amounts are in USD, unless otherwise stated)

	Share capital		Other Equity				
	No. of Shares	Amount	Retained earnings	Amalgamation reserve	Capital reserves (Note 7)	Total	Total equity
Balance as at April 1, 2018	**1,166,281,095**	**1,963,717,883**	**(2,081,879,634)**	**352,172,127**	**(63,367)**	**(1,729,770,874)**	**233,947,009**
Total comprehensive loss for the year		-	(5,142,294)	-	-	(5,142,294)	(5,142,294)
Common control transactions (note 7)		-	-	-	(10,629,778)	(10,629,778)	(10,629,778)
Balance as at March 31, 2019	**1,166,281,095**	**1,963,717,883**	**(2,087,021,928)**	**352,172,127**	**(10,693,145)**	**(1,745,542,946)**	**218,174,937**
Transition impact of Ind AS 116 (note 29)		-	(10,350)	-	-	(10,350)	(10,350)
Balance as at April 1, 2019	**1,166,281,095**	**1,963,717,883**	**(2,087,032,278)**	**352,172,127**	**(10,693,145)**	**(1,745,553,296)**	**218,164,587**
Total comprehensive loss for the year		-	(983,170)	-	-	(983,170)	(983,170)
Balance as at March 31, 2020	**1,166,281,095**	**1,963,717,883**	**(2,088,015,448)**	**352,172,127**	**(10,693,145)**	**(1,746,536,466)**	**217,181,417**

The accompanying accounting policies and explanatory notes 1 to 34 form an integral part of the 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 International (Singapore) Pte. Ltd

Sd/-

Director

Date: July 24,2020

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Bharti International (Singapore) Pte. Ltd.

Cash Flow Statement
(All amounts are in USD, unless stated otherwise)

	For the year ended	
	March 31, 2020	**March 31, 2019**
Cash flows from operating activities:		
Profit / (Loss) before tax	**1,632,804**	**(3,421,484)**
Adjustments:		
Depreciation expense	3,240,172	14,252,900
Finance costs	10,625,529	11,241,283
Interest income	(323,475)	(271,364)
Write off of Machinery and equipment / Intangible assets	313,603	229,346
Other non cash items	2,409,272	2,979,941
Operating cash flows before changes in working capital	**17,897,905**	**25,010,622**
Changes in working capital:		
Trade receivables	(18,930,854)	(1,024,323)
Trade payables	1,645,498	1,471,726
Other financial and non financial assets	3,839,260	770,367
Inventories	(851,429)	(1,640,035)
Non financial and financial liability and deferred revenue	14,212,245	(22,951,396)
Net cash generated from operations before tax	**17,812,625**	**1,636,961**
Income tax paid	(1,415,675)	(926,023)
Net cash flows generated from operating activities	**16,396,950**	**710,938**
Cash flows from investing activities		
Investment in subsidiaries	-	(39,749,996)
Interest received	323,475	454,536
Loan given to subsidiaries	(8,628,737)	(5,763,564)
Repayment of loan by subsidiaries	4,132,804	1,472,394
Purchase of plant and equipment	(4,215,670)	(9,266,887)
Purchase of intangible assets	-	(866,997)
Net cash flows used in investing activities	**(8,388,128)**	**(53,720,514)**
Cash flows from financing activities		
Interest paid	(2,624,022)	(1,185,490)
Proceeds from borrowings	11,900,000	65,250,000
Repayments of borrowings	(21,673,900)	(12,399,436)
Payment of lease liabilities	(68,838)	-
Net cash flows (used in) / generated from financing activities	**(12,466,760)**	**51,665,074**
Net decrease in cash and cash equivalents during the year	(4,457,938)	(1,344,502)
Cash and cash equivalents at beginning of the year	5,932,719	7,277,221
Cash and cash equivalents at end of the year (note 11)	**1,474,781**	**5,932,719**

The accompanying accounting policies and explanatory notes 1 to 34 form an integral part of the 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 International (Singapore) Pte. Ltd

Sd/-

Director

Date: July 24,2020

1. Corporate information

Bharti International (Singapore) Pte. Ltd. ("the Company") is a private limited company incorporated and domiciled in Singapore.

The principal place of business and registered office of the Company is located at 150 Orchard Road, #08-01 Orchard Plaza, Singapore 238841.

The principal activities of the Company is investing, operation and provision of telecommunication facilities and services through utilising a network of submarine cable systems and associated terrestrial capacity. The Company sells, leases or otherwise provides wholesale bandwidth and related telecommunication services to carrier customers.

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 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 Singapore Corporation Law.

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgements. It also requires 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 financial statements of the Company have been prepared under the historical cost convention and are presented in United States Dollar ("USD" or "US$"), the functional currency of the Company. Therefore, all the amounts included in the financial statements are reported in United States Dollars ('USD') 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 USD to Rupee amounts is unaudited and is included solely for readers in India and has been calculated using the rate of USD 1 = Rs. 75.675, 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, United States Dollars 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. Refer note 29 for impact of adoption of Ind AS 116. Also refer note 2.17 for accounting policy on 'leases'.

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.

2.2 Basis of measurement

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.

2.4. Investment in subsidiary

A subsidiary is an investee controlled by the Company. Control exists when it has power over the entity, is exposed, or has right to variable returns from its involvement with the entity and has ability to affect those returns by using its power over entity.

Investment in subsidiaries is accounted for at cost less impairment losses, if any.

2.5. Investment in associate

An associate is an entity, not being a subsidiary or a joint venture in which the Company has significant influence. Investment in associate is accounted for at cost less impairment losses, if any.

2.6. Functional and foreign currency

Functional currency

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be United States Dollar. Sales prices and major costs of providing goods and services including major operating expenses are primarily influenced by United States Dollar.

Transactions and balances

Transactions in foreign currencies are measured in United States Dollar and are recorded on initial recognition in United States Dollar at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in currencies other than the functional currency (foreign currency) are translated at the rate of exchange ruling at the end of reporting date. 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 was measured.

Exchange difference arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the statement of profit or loss.

2.7. Common control transactions

Transfers of interest in entities that are under the common control, are accounted at historical cost. The difference between any consideration given and the historical carrying amounts of the interest acquired are recorded in capital reserves under equity.

2.8. Plant and equipment

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. In case of multiple element contracts whereby the vendor supplies PPE as well as other components, PPE is recorded on the basis of relative fair values.

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.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of 8-10 years for machinery and equipment.

The carrying value of plant and equipment are reviewed for impairment when events or change in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the assets is included in profit or loss in the year the asset is derecognised.

The cost of capital work-in-progress is presented separately in the balance sheet.

2.9. 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.

2.10. Impairment of non-financial assets

PPE, intangible assets, Intangible under development and right of use assets

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

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

Reversal of impairment losses

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

2.11. Financial instruments

A. Recognition, classification and presentation

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

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

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

The Company classifies its financial assets in the following categories: a) those to be measured subsequently at fair value through profit or loss, and b) those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.
The Company has classified all the non-derivative financial liabilities as measured at amortised cost.
Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the statement of financial position, if and only when, the Company currently has a legally enforceable right to set-off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

B. Measurement – Non-derivative financial instruments

I. Initial measurement

At initial recognition, the Company measures the non-derivative financial instruments 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 comprehensive income.

II. Subsequent measurement - financial assets

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

i. Financial assets measured at amortised cost

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

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

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

Impairment of financial assets

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. Measurement - derivative financial instruments

Derivative financial instruments, including separated embedded derivatives are classified as financial instruments at fair value through profit or loss - Held for trading. Such derivative financial instruments are initially recognised at fair value. They are subsequently measured at their fair value, with changes in fair value being recognised in the statement of comprehensive income within finance income / finance costs.

D. Derecognition

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

2.12. Cash and cash equivalents

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

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.

2.13. Inventories

Inventories are stated at the lower of cost (determined on a first in first out ("FIFO") basis) or 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 estimated costs of completion and the estimated costs necessary to make the sale.

2.14. 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 embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability.

2.15. Contingencies

A contingent liability is:

a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non - occurrence of one or more uncertain future events not wholly within the control of the Company; or

b) A present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(ii) The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the balance sheet of the Company.

2.16. Employee benefits

Employee benefits mainly include wages, salaries, bonuses, defined contribution plans, compensated absences, deferred compensation. The employee benefits are recognised in the year in which the associated services are rendered by the employees.

Defined contribution plans

The Company's contributions to defined contribution plans are recognised in profit or loss in the period in which the related service is performed. The Company has no further obligations under these plans beyond its periodic contributions.

2.17. Leases

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

Company as a lessee
On initial application of Ind AS 116, the Company recognised a lease liability measured at the present value of all the remaining lease payments, discounted using the lessee's incremental borrowing rate at April 1, 2019 whereas the Company has elected to measure ROU at its carrying amount as if Ind AS 116 had been applied since the lease commencement date, but discounted using the lessee's incremental borrowing rate at April 1, 2019.

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

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments including or when the lease contract is modified and the lease modification is not accounted for as a separate lease. The corresponding adjustment is made to the carrying amount of the ROU, or is recorded in profit or loss if the carrying amount of the related ROU has been reduced to zero and there is a further reduction in the measurement of the lease liability.

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

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

In the Balance Sheet, the ROU and lease liabilities are presented separately. In the statement of profit and loss, interest expense on lease liabilities are presented separately from the depreciation charge for the ROU. Interest expense on the lease liability is a component of finance costs, which are presented separately in the statement of profit or loss. In the statement of cash flows, cash payments for the principal portion of lease payments and the interest portion of lease liability are presented as financing activities, and short-term lease payments and payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability, if any, as operating activities.

2.18. Revenue

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 data, IRU and bandwidth services.

The Company has entered into certain Indefeasible Right of Use ("IRU") agreements. An IRU is a right to use a specified amount of capacity for a specific time period that cannot be revoked or voided.

Revenue from IRU agreements is recognised over time on a straight line basis over the period of the agreement.

The billing / collection in excess of revenue recognised is presented as contract liability in the statement of financial position whereas any unbilled amount is recognised as contract assets which is recognised under other current financial assets.

b) **Equipment Sales**

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories, for which revenue is recognised when the control of such equipment is transferred to the customer upon delivery.

2.19. Taxes

(a) **Current income tax**

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

Current income taxes are recognised in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) **Deferred tax**

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.20. 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

In the process of applying the Company's accounting policies, the management has made the following judgments apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Determination of functional currency

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

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.

Useful lives of PPE

As described at note 2.8 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.

Impairment reviews

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

3.2 Critical Judgement's in applying the Company's accounting policies

Determining the incremental borrowing rate for lease contracts

The initial recognition of lease liabilities at present value requires the identification of an appropriate discount rate. The Company has determined the incremental borrowing rate based on considerations specific to the leases by taking consideration of the risk free borrowing rates as adjusted for country / company specific risk premiums (basis the readily available data points).

4 Going Concern

The financial statements are prepared on the basis of accounting policies applicable to a going concern assumption. In making its assessment, management acknowledges that the ability of the Company to continue as a going concern is dependent on the generation of sufficient profits, positive cash flows and the undertaking from Bharti Airtel Limited (Intermediate Parent Company) to provide appropriate financial support; which is valid till 12 months from approval of financial statements by the board of directors of the Company.

5 Property , plant and equipment ('PPE')

	Machinery and equipment	Capital work-in-progress	Total
Cost			
As at April 1, 2018	22,493,284	667,546	23,160,830
Additions	3,995,844	590,261	4,586,105
Write off	(3,313,666)	-	(3,313,666)
As at March 31, 2019	23,175,462	1,257,807	24,433,269
Additions	7,326,308		7,326,308
Sales/ Adjustements	(394,678)	(1,151,747)	(1,546,425)
As at March 31, 2020	30,107,092	106,060	30,213,152
Accumulated depreciation			
As at April 1, 2018	9,380,031	-	9,380,031
Charge for the year	2,547,726	-	2,547,726
Write off	(3,313,658)	-	(3,313,658)
As at March 31, 2019	8,614,099	-	8,614,099
Charge for the year	3,177,545	-	3,177,545
Sales/ Adjustements	(81,074)		(81,074)
As at March 31, 2020	11,710,569	-	11,710,569
Net book value			
As at March 31, 2019	14,561,363	1,257,807	15,819,170
As at March 31, 2020	18,396,523	106,060	18,502,583

6 Intangible assets

	Bandwidth	Intangible assests under development
Cost		
As at April 1, 2018	193,771,287	-
Disposal / Adjustments	(637,216)	866,997
As at March 31, 2019	193,134,071	866,997
Transition impact Ind AS 116	(193,134,071)	(866,997)
Adjusted balance as at April 1, 2019	-	-
As at March 31, 2020	-	-
Accumulated amortisation		
As at April 1, 2018	92,868,989	-
Charge for the year	11,705,174	-
Disposal / Adjustments	(407,870)	-
As at March 31, 2019	104,166,293	-
Transition impact Ind AS 116	(104,166,293)	-
Adjusted balance as at April 1, 2019	-	-
As at March 31, 2020	-	-
Net book value		
As at March 31, 2019	88,967,778	866,997
As at March 31, 2020	-	-

7 Investment in subsidiaries and associate:

	As of	
	March 31,2020	**March 31,2019**
Investment in subsidiaries	66,782,407	66,782,407
Investment in associate	383,150,000	383,150,000
	449,932,407	**449,932,407**

During the year ended March 31, 2020, the Company has entered into an agreement with NTT Docomo, Inc. pursuant to which the Company had agreed to buy the entire 6.31% shareholding of NTT Docomo, Inc. in Robi Axiata Limited, for a consideration of 11,999,998/- USD. The transaction has been completed subsequent to the Balance Sheet date, on June 09, 2020. Post this transaction, the Company's shareholding in Robi Axiata Limited has increased to 31.31%.

During the year ended March 31, 2019, the Company had acquired 100% equity stake in Bharti Airtel (USA) Limited from Bharti Airtel Limited ('BAL'), the intermediate parent company for a purchase consideration of US$ 39.75 million. The carrying value of the investment recognised was US$ 29.12 million. As the acquisition from BAL was a transaction under common control the difference between the consideration paid and carrying value at the investment recognised of US$ 10.63 million was recognised as capital reserve within equity. (refer note 2.7)

As at March 31, 2020 and March 31, 2019, the equity shares of the associate and subsidiaries are unquoted.

Detail of Subsidiaries/Associate

A. Name of subsidiaries	**Country of Incorporation**	**Principal activities**	**% of ownership interest 2020**	**2019**
Bhrti Airtel (France) SAS	France	Telecom services	100.00%	100.00%
Bharti Airtel (Japan) Private Limited	Japan	Telecom services	100.00%	100.00%
Bharti Airtel (UK) Ltd.	UK	Telecom services	100.00%	100.00%
Bharti Airtel (Hongkong) Limited	Hongkong	Telecom services	100.00%	100.00%
Bharti Airtel (USA) Limited	USA	Telecom services	100.00%	100.00%

B. Name of associate	**Country of Incorporation**	**Principal activities**	**2020**	**2019**
Robi Axiata Limited	Bangladesh	Telecom services	25.00%	25.00%

8 Other non-current assets

	As of	
	March 31,2020	**March 31,2019**
Prepaid expenses	73,103,533	-
Others	321,512	281,698
	73,425,045	**281,698**

9 Inventories

	As of	
	March 31,2020	**March 31,2019**
Balance sheet :		
Telecommunication equipments	2,347,981	1,634,612
Statement of Profit or Loss :		
Inventories recognised as an expense in cost of goods sold	16,842,202	6,109,441
Inclusive of:		
- allowance for inventory obsolescence (refer note 23)	138,060	503,500

10 Trade receivable

	As of	
	March 31,2020	**March 31,2019**
Trade recievables considered good- unsecured	37,789,276	29,009,526
Due from related parties (note 28)	13,240,064	3,088,960
Less: Allowance for impairment	(10,377,767)	(8,106,555)
	40,651,573	**23,991,931**

Trade receivables are non-interest bearing and generally have up to 30 days terms (2020: 30 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition. The allowance for impairment represents the nominal amount of trade receivable impaired.

The movement in allowances for impairment is as follows:-

	For the year ended	
	March 31,2020	**March 31,2019**
Opening balance	8,106,555	5,630,112
Impairment loss recognised	2,271,212	3,525,460
Reversal done during the year	-	(1,049,017)
Closing balance	**10,377,767**	**8,106,555**

11 Cash and cash equivalents

	As of	
	March 31,2020	**March 31,2019**
Cash at banks	1,474,781	5,932,719

For the purpose of Cash flow statement ('CFS'), cash and cash equivalent comprise cash at banks.

12 Loans

	As of	
	March 31,2020	**March 31,2019**
Loan to subsidiaries	18,259,610	14,119,511
	18,259,610	**14,119,511**

Subsidiaries	**Amount**	**Interest rate**	**Maturity date**
Bharti Airtel (Hongkong) Limited	326,773	4.31%	31-Mar-21
Bharti Airtel (Japan) Limited	348,245	7.33%	31-Mar-21
Bharti Airtel (France) Limited	17,584,592	1.59%	31-Mar-21
	18,259,610		

13 Other financial assets- current

	As of	
	March 31,2020	March 31,2019
Interest receivable*	640,513	707,227
Unbilled revenue	1,236,698	896,222
Security Deposit	192,833	536,360
	2,070,044	**2,139,809**

*It includes related party balance refer note 28

14 Other current assets

	As of	
	March 31,2020	**March 31,2019**
Prepaid expenses	14,975,272	2,044,766
Taxes recoverable - Goods & service tax (GST)	499,543	347,733
Others	16,388	34,403
	15,491,203	**2,426,902**

15 Share capital

	As of			
	March 31,2020		**March 31,2019**	
	No. of shares	Amount	No. of shares	Amount
Issued and fully paid ordinary shares:				
At beginning and end of year	1,166,281,095	1,963,717,883	1,166,281,095	1,963,717,883

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

Details of shareholders (as per the register of shareholders) holding more than 5% shares

	As of			
	March 31,2020		**March 31,2019**	
	No. of shares	% holding	No. of shares	% holding
Issued and fully paid ordinary shares:				
Network i2i Limited	1,166,281,095	100%	1,166,281,095	100%

16 Reserve and Surplus

Retained earnings- Retained earnings represents the amount of accumulated earning of the Company.

Capital reserve- Capital reserve represents the amount of difference in consideration paid and carrying value under the common control transaction.

Amalgamation reserve- Amalgamation reserve represents the amount recognized on amalgamation of common control entity.

17 Deferred tax assets/ (liabilities)

Deferred income tax assets / (liabilities) as at March 31, 2020 relates to the following:-

	Accelerated tax on depreciation on plant and machinery	Accelerated tax on depreciation on intangible asset	Foreign sourced income	Provisions	Total
At April 2018	(2,229,253)	(623,548)	(119,352)	2,059,231	(912,922)
Credit (charge) to profit or loss for the year	(246,179)	(203,596)	109,716	(310,175)	(650,234)
At March 31, 2019	(2,475,432)	(827,144)	(9,636)	1,749,056	(1,563,156)
Credit (charge) to profit or loss for the year	(651,977)	(34,502)	-	327,823	(358,656)
At March 31, 2020	(3,127,409)	(861,646)	(9,636)	2,076,879	(1,921,812)

18 Borrowings

	As of	
	March 31,2020	**March 31,2019**
Due to holding company	247,461,858	257,235,759
	247,461,858	**257,235,759**

The borrowings are repayable on demand and carries an interest rate which is LIBOR plus margin, effective interest rate is 1.75% as at March 31, 2020 (2019: 4.49%).

The carrying amount of the borrowing is reasonable approximation of fair values as it carries interest at a floating rate and re-priced to market interest rates on or near the balance sheet date.

19 Financial liabilities – others

	As of	
	March 31,2020	**March 31,2019**
Accrued expenses	9,315,446	6,176,577
Payables against capital expenditure	3,975,266	1,807,292
Accrued interest - holding company	33,259,558	25,613,870
Others	220,334	257,787
	46,770,604	**33,855,526**

20 Revenue

	For the year ended	
	March 31,2020	**March 31,2019**
Service revenue (recognised over time)	120,511,373	114,937,677
Sale of goods (recognised at a point in time)	17,627,226	6,693,992
	138,138,599	**121,631,669**

The above service revenue for the year includes revenue from sale of licenses USD 55,719.

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

	During the year ended	
	Deferred Revenue	
	March 31,2020	**March 31,2019**
Revenue recognised that was included in the deferred revenue balance at the beginning of the period	20,768,937	19,269,966
Increases due to cash received, excluding amounts recognised as revenue during the period	33,505,946	7,453,348

21 Other income

	For the year ended	
	March 31,2020	**March 31,2019**
Interest income (refer note 28)	323,475	271,364
Miscellaneous income	255,430	46,355
	578,905	**317,719**

22 Employee benefit expenses

	For the year ended	
	March 31,2020	**March 31,2019**
Salaries and wages	261,882	257,636
Allowances	819,029	765,827
Other benefits	93,057	40,989
	1,173,968	**1,064,452**

23 Other operating expenses

	For the year ended	
	March 31,2020	**March 31,2019**
Allowance for doubtful debts	2,271,212	2,476,441
Allowance for inventory obsolescence	138,060	503,500
Legal and professional charges	780,823	3,486,575
Other expenses#	917,830	14,104
	4,107,925	**6,480,620**

It includes cost allocation and freight charges etc.

24 Depreciation and amortisation expense

	For the year ended	
	March 31,2020	**March 31,2019**
Depreciation	3,240,172	2,547,726
Amortisation	-	11,705,174
	3,240,172	**14,252,900**

25 Finance costs

	For the year ended	
	March 31,2020	**March 31,2019**
Interest expense (refer note 28)	10,171,788	10,308,969
Interest expense -Finance lease	3,632	-
Bank charges	94,290	84,926
Foreign exchange loss	355,819	847,388
	10,625,529	**11,241,283**

26 Income tax

The major components of income tax expense for the year ended March 31, 2020 and March 31, 2019 are:

	For the year ended	
	March 31,2020	**March 31,2019**
Current income tax :		
- Current income tax	2,257,318	1,503,489
- Under provision in respect of previous years	-	(432,913)
	2,257,318	1,070,576
Deferred income tax (Note 17) :		
Origination and reversal of temporary differences	358,656	650,234
	358,656	650,234
Income tax expense recognised in profit or loss	**2,615,974**	**1,720,810**

The reconciliation between the tax expense and the product of accounting profit / (loss) multiplied by the Singapore statutory tax rate for the financial year ended March 31, 2020 and March 31, 2019 is as follows:

	For the year ended	
	March 31,2020	**March 31,2019**
Profit / (loss) before tax	1,632,804	(3,421,484)
Tax at statutory tax rate of 17% (2019: 17%)	277,577	(581,652)
Adjustments:		
Non-deductible expense	1,767,049	2,386,604
Foreign tax suffered	571,348	348,771
Under provision in respect of current income tax of previous years	-	(432,913)
Income tax expense recognised in profit or loss	**2,615,974**	**1,720,810**

27 Commitments and contingent liability

(a) Capital commitment

The Company has contractual commitments towards capital expenditure (net of related advances) of 20,242,802 and 8,304,100 as of March 31, 2020 and March 31, 2019 respectively.

Capital commitment is in respect of purchase of plant and equipment.

(b) Contingent liability

	As of	
	March 31,2020	**March 31,2019**
Withholding tax payable*	59,831	82,950

*Demand under section 45(4) of Income Tax Act, 1947 was raised by Inland Revenue Authority of Singapore during the period 2012-2014 for which response was submitted within the year of receipt. There is no further response has been received till date and the management believes that it is not probably that any material part of the claim will be awarded against the Company and therefore, pending outcome of this matter, no provision has been recognised.

28 Related party transactions:-

Name of related parties shown below based on transaction occurred during the current and previous year

Name of related parties	Relationship
Network i2i Limited	Parent Company
Bharti Airtel Limited	Intermediate Parent Company
Bharti Enterprises (Holding) Private Limited*	Ultimate controlling entity
Bharti Airtel (UK) Limited	Subsidiary Company
Bharti Airtel (Japan) Private Limited	Subsidiary Company
Bharti Airtel (France) SAS	Subsidiary Company
Bharti Airtel (Hong Kong) Limited	Subsidiary Company
Bharti Airtel (USA) Limited	Subsidiary Company
Bharti Airtel Lanka (Private) Limited	Subsidiary of Bharti Airtel Limited
Airtel Congo S.A.	Subsidiary of Bharti Airtel Limited
Airtel (Seychelles) Limited	Subsidiary of Bharti Airtel Limited
Airtel Networks Limited	Subsidiary of Bharti Airtel Limited
Airtel Madagascar S.A.	Subsidiary of Bharti Airtel Limited
Airtel Networks Kenya Limited	Subsidiary of Bharti Airtel Limited
Airtel Tanzania Public Limited Company (formerly known as Airtel Tanzania Limited)	Subsidiary of Bharti Airtel Limited
Airtel Tchad S.A.	Subsidiary of Bharti Airtel Limited
Airtel Uganda Limited	Subsidiary of Bharti Airtel Limited
Airtel Congo (RDC) S.A.	Subsidiary of Bharti Airtel Limited
Airtel Gabon S.A. #	Subsidiary of Bharti Airtel Limited
Bharti Airtel Services Limited	Subsidiary of Bharti Airtel Limited
Robi Axiata Limited	Associate
Singapore Telecommunications Limited	Entity having significant influence over the intermediate parent company

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

#Under liquidation

The Company has the following transactions with related parties during the year.

Nature	March 31, 2020	March 31, 2019
Sale of Services		
- Intermediate Parent Company	19,597,563	22,794,537
- Subsidiaries of Bharti Airtel Limited	1,816,345	7,763,504
- Subsidiaries	1,089,599	2,122,970
- Entity having significant influence over the intermediate parent company	852,379	642,899
Usage of brand name and manpower costs		
- Intermediate Parent Company	-	249,960
Purchase of Fixed Assets		
- Entity having significant influence over the intermediate parent company	250,000	180,000
Receiving of Services		
- Intermediate Parent Company	17,212,442	18,673,381
- Parent Company	22,980,021	22,904,808
- Subsidiaries of Bharti Airtel Limited	103,710	885,886
- Subsidiaries	2,247,348	2,501,787
- Entity having significant influence over the intermediate parent company	5,255,535	4,895,537
Interest Expense		
- Parent Company	10,171,788	10,308,969
Interest Income		
- Subsidiaries	323,475	271,364
Investment made		
- Subsidiaries	-	39,749,996

Nature	March 31, 2020	March 31, 2019
Loans given		
- Subsidiaries	8,628,737	5,763,564
Repayment of loan given		
- Subsidiaries	4,132,804	1,472,395
Repayment of loan taken		
- Parent Company	21,673,900	12,399,436
Loan taken		
- Parent Company	11,900,000	65,250,000

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

	Significant influence entity	Parent Company	Intermediate parent company	Subsidiary Companies
As of March 31, 2020				
(Trade payables)/ Trade recievables	(1,836,370)	(2,642,599)	8,659,930	(535,118)
Borrowings	-	(247,461,858)	-	-
Other financial assets - Loans given	-	-	-	18,259,610
As of March 31, 2019				
(Trade payables)/ Trade recievables	(948,920)	-	2,977,891	-
Borrowings	-	(257,235,759)	-	-
Other financial assets - Loans given	-	-	-	14,119,511

29 Leases

Impact of adoption of Ind AS 116 where the Company is a lessee

The adoption of the said change in accounting policy affected the following items in the balance sheet on April 1, 2019:

	As of April,1 2019
Right-of-use assets	73,064
Other intangile assets	(88,967,778)
Intangible assets under development	(866,997)
Other non-current assets	89,834,775
Lease liabilities	(83,414)
Decrease in equity	**(10,350)**

Company as a lessee

ROU
The following table presents the reconciliation of changes in the carrying value of ROU assets for the year ended March 31, 2020:

	Building
Balance at April 1, 2019	73,064
Depreciation charge for the period	(62,627)
Balance at March 31, 2020	**10,437**

- Building

  The Company's leases of building comprise of lease of offices.

Amounts recognised in Statement of profit or loss

Leases under Ind AS 116

Interest on lease liabilities	3,632

Amounts recognised in statement of cash flows

Leases under Ind AS 116

Total cash outflow for leases	68,838

The reconciliation of operating lease commitments disclosed as at March 31, 2019 to lease liabilities recognised as at April 1, 2019 is given below.

Operating lease commitment at March 31, 2019	**86,457**
Discounted using the incremental borrowing rate at April 1, 2019	83,414
Lease liabilities recognised at April 1, 2019	**83,414**

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted-average pre-tax rate applied is 8.3%.

The Company has made use of the following practical expedients available on transition to FRS 116: (a) used a single discount rate to a portfolio of leases of similar assets in similar economic environment, (b) not recognised ROU assets and lease liabilities for leases with less than twelve months of remaining lease term and low-value assets on the date of initial application, (c) relied on previous assessments that none of the leases were onerous and concluded that there is no need for impairment review and (d) used hindsight in determining the lease term where the contracts contained options to extend or terminate the lease.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date.

Leases under Ind AS 116	
Not later than one year	14,580

30 COVID-19

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, including leasing 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 risk, liquidity risk and foreign currency risk and no material impact has been noted

31 Earnings per share ('EPS')

	As of March 31, 2020	As of March 31, 2019
Weighted average share outstanding ('000) for basic/ dilluted	1166281	1166281
Loss for the year	(983,170)	(5,142,294)

32 Fair value of financial assets and liabilities

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Financial instruments whose carrying amount approximates fair value.

Management has determined that the carrying amounts of trade receivables, cash and cash equivalents, amounts due to/from related parties, trade payables, security deposits, borrowings and other payables reasonably approximate their fair values because these are mostly short term in nature or are repriced regularly.

	Carrying value as of		Fair Value as of	
	March 31,2020	**March 31,2019**	**March 31,2020**	**March 31,2019**
Assets (at amortised cost)				
Trade receivables	40,651,573	23,991,931	40,651,573	23,991,931
Cash and cash equivalents	1,474,781	5,932,719	1,474,781	5,932,719
Loans	18,259,610	14,119,511	18,259,610	14,119,511
Others	2,070,044	2,139,809	2,070,044	2,139,809
	62,456,008	**46,183,970**	**62,456,008**	**46,183,970**
Liabilities (at amortised cost)				
Trade payables	9,233,760	9,160,782	9,233,760	9,160,782
Borrowings	247,461,858	257,235,759	247,461,858	257,235,759
Security deposits	15,500	15,500	15,500	15,500
Lease Liabilities	14,580	-	14,580	-
Others	46,770,604	33,855,526	46,770,604	33,855,526
	303,496,302	**300,267,567**	**303,496,302**	**300,267,567**

33 Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk and they are summarised below:

(a) **Credit risk and impairment assessment**

As at March 31, 2020 and 2019, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

In order to minimise the credit risk, the management of the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In addition, the Company performs impairment assessment under ECL model upon application of Ind AS 109 (2019: incurred loss model) on trade balances. The following table provides information about the exposure to credit risk and ECL for trade receivables as at March 31, 2020.

Internal credit rating	**12-month or lifetime ECL**	Average loss rate	Gross carrying amount	Impairment loss allowance
Trade receivables	Lifetime ECL(simplified approach)	4.29%	28,740,397	1,328,888
Credit impaired		100%	9,048,879	9,048,879
			37,789,276	10,377,767

The following table provides information about the exposure to credit risk and ECL for trade receivables as at March 31, 2019.

Internal credit rating	12-month or lifetime ECL	Average loss rate	Gross carrying amount	Impairment loss allowance
Trade receivables	Lifetime ECL(simplified approach)	7.78%	22,665,416	1,762,445
Credit impaired		100%	6,344,110	6,344,110
			29,009,526	8,106,555

The following tables show reconciliation of loss allowances that has been recognised in trade receivables:

	For the year ended	
	March 31,2020	**March 31,2019**
Opening balance	8,106,555	5,630,112
Impairment loss recognised	2,271,212	3,525,460
Reversal done during the year	-	(1,049,017)
Closing balance	**10,377,767**	**8,106,555**

For the amount due from related parties, the Company measure on 12m ECL basis as there had been no significant increase in credit risk since initial recognition. The Company considers there is a low risk of default and does not have any past-due amounts and no loss allowance has been made on this balance as at March 31, 2020.

The Company measures the loss allowance on bank balances on 12m ECL basis as there had been no significant increase in credit risk since initial recognition. The credit risk is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

(b) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system.

The Company had net current liabilities position of US$ 251,533,011 and US$ 272,527,200 as at March 31, 2020 and March 31, 2019 respectively. However, the financial statements have been prepared on a going concern basis, as the directors of the Company have assessed that with the financial support of the intermediate parent company the Company will have the sufficient cash flows for at least the next twelve months from the end of reporting period.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liabilities at the end of reporting date based on contractual undiscounted repayment obligation.

	As of	
	March 31,2020	**March 31,2019**
	Less than 1 year	**Less than 1 year**
Financial Liabilities		
Trade payables and accruals	9,233,760	9,160,782
Lease Liabilities	14,580	-
Borrowings*	260,355,590	268,795,625
Others	46,770,604	33,855,526
Total undiscounted financial liabilities	**316,374,534**	**311,811,933**

* Includes contractual interest payment of US$ 12,886,468 (March 31, 2019:US$ 11,559,866) based on interest rate prevailing at the end of the reporting date, over the tenor of the borrowings.

The following table provides the reconciliation of liabilities whose net cash flow movements are disclosed as part of the financing activities of statement of cash flows:

	April 1, 2019	**P&L charge**	**Cash flows**	**March 31, 2020**
Borrowings	257,235,759	-	(9,773,900)	247,461,859
Interest accrued	25,613,870	10,269,710	(2,624,022)	33,259,558
	282,849,629	10,269,710	(12,397,922)	280,721,417

(c) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from interest bearing loans taken from holding company and given to related parties.

The Company's net exposure to fluctuation in interest rate is described below:

	Change in interest rate (basis points)	**Effect on profit/(Loss) before tax**
2020		
Net loans given to related parties	+50	1,146,011
Net loans given to related parties	-50	(1,146,011)
2019		
Net loans given to related parties	+50	1,215,581
Net loans given to related parties	-50	(1,215,581)

(d) **Foreign currency risk**

Foreign exchange risk arises on all recognised monetary assets and liabilities, which are denominated in a currency other than a functional currency of the Company.

At the end of reporting period, the carrying amounts of monetary assets and liabilities denominated in currencies other than the Company's functional currencies are as follows:

	Assets		Liabilities	
	March 31,2020	March 31,2019	March 31,2020	March 31,2019
Hongkong Dollar	440,654	1,694,911	12,621	19,771
Singapore Dollars	528,547	2,330,832	1,410,978	787,716
Euro	18,044,623	12,979,102	16,356	23,925

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Company's profit / (loss) before tax to a reasonably possible change in the Singapore Dollar, Hongkong Dollar and Euro against the functional currency of the Company, with all other variables held constant.

	Change in currency exchange rate	Effect on (loss)/profit March 31,2020	March 31,2019
Hongkong Dollar	+5%	21,402	83,755
	-5%	(21,402)	(83,755)
Singapore Dollars	+5%	(44,122)	66,174
	-5%	44,122	(66,174)
Euro	+5%	901,413	648,137
	-5%	(901,413)	(648,137)

34 Capital management

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2020 and March 31, 2019.

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

	As of	
	March 31,2020	**March 31,2019**
Borrowings	247,461,858	257,235,759
Less: Cash and cash equivalents	1,474,781	5,932,719
Net Debt	**245,987,077**	**251,303,040**
Equity	217,181,416	218,174,937
Total Capital	**217,181,416**	**218,174,937**
Capital and net debt	463,168,493	469,477,977
Gearing ratio	53.11%	53.53%