

INDEPENDENT AUDITOR'S REPORT

To The Members of NETTLE INFRASTRUCTURE INVESTMENTS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Nettle Infrastructure Investments Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements 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 ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Material uncertainty related to Going Concern

We draw attention to Note 28 to the financial statements, which indicates that the Company has accumulated losses of Rs 18,729 (March 31, 2020: Rs. 23,911). These events or conditions, along with other matters as set forth in Note 28, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the Board's Report including Annexure to the Board's Report, Secretarial report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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, including any significant deficiencies in internal control 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive loss, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the company has not paid any managerial remuneration during the current year,



accordingly provision of section 197 read with schedule V of the act are not applicable to the company.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



A handwritten signature in black ink, appearing to read "Niles H Lahoti".

Niles H Lahoti
(Partner)
(Membership No. 130054)
(UDIN: 21130054AAAADB3196)

Place: Gurugram
Date: June 22, 2021

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NETTLE INFRASTRUCTURE INVESTMENTS LIMITED of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Nettle Infrastructure Investments Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being



made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



Nilesh H Lahoti
(Partner)
(Membership No. 130054)
(UDIN: 21130054AAAADB3196)

Place: Gurugram
Date: June 22, 2021

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NETTLE INFRASTRUCTURE INVESTMENTS LIMITED of even date)

- i. The Company does not have any fixed assets and hence reporting under clause 3(i) of the Order is not applicable to the Company.
- ii. The Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable to the Company.
- iii. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company's principle business is investment in securities, which is exempted from the provisions of Section 186 of the Companies Act, 2013. There are no loans, guarantees and securities granted in respect of which provisions of sections 185 and 186 of the Companies Act 2013 are applicable.
- v. According to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, the provisions of the clause 3 (v) of the Order are not applicable.
- vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 for the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Income-tax and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the Company did not have any dues on account of Excise duty, Provident Fund, Employees' State Insurance, Sales tax, Customs Duty and Value Added tax.
 - (b) There were no undisputed amounts payable in respect of Income-tax and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income tax which have not been deposited on account of any dispute.
- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues of debenture holders.
- ix. During the current year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not paid any managerial remuneration during the current year, accordingly provision of section 197 read with schedule V of the act are not applicable to the company and hence reporting under clause 3 (xi) of the Order is not applicable.



- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the Company has made private placement of fully or partly convertible debentures during the year under review.

In respect of the above issue, we further report that:

- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with
 - b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company, or directors of associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
 - xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



Nilesh H Lahoti
(Partner)
(Membership No. 130054)
(UDIN: 21130054AAAADB3196)

Place: Gurugram
Date: June 22, 2021

Nettle Infrastructure Investments Limited
Balance Sheet
(All amounts are in millions of Indian Rupee)

Particulars	Notes	As of March 31, 2021	As of March 31, 2020
Assets			
Financial assets			
Cash and cash equivalents	5	10	3
Investments	6	136,586	111,082
Others	7	0	0
		136,596	111,085
Non-financial assets			
Income tax recoverable		73	17
Others	8	0	0
		73	17
Total Assets		136,669	111,102
Liabilities and equity			
Liabilities			
Financial liabilities			
Debt securities	9	150,000	-
Borrowings	10	5,330	135,013
Trade payables	11		
- total outstanding dues of creditors other than micro enterprises and small enterprises		56	1
Other financial liabilities	12	0	1
		155,386	135,012
Non-financial liabilities			
Provisions	13	0	0
Others	14	11	0
		11	0
Equity			
Equity share capital	15	1	1
Other equity		(18,729)	(23,911)
		(18,728)	(23,910)
Total liabilities and equity		136,669	111,102

The accompanying notes 1 to 28 forms an integral part of the Financial Statements.

As per our report of even date

For Debitte Haskins & Sells LLP

Chartered Accountants

ICAI Firm Registration No: 117366W / W-100018

Nilesh H. Lahoti

Partner

Membership No. 130054

Place : Gurugram

Date : June 22, 2021



For and on behalf of the Board of Directors of

Nettle Infrastructure Investments Limited

Badal Bagri

Badal Bagri

Director

DIN - 00367278

Place: Gurugram

Pankaj Tewari

Pankaj Tewari

Director

DIN - 08006533

Place: Gurugram



Nettle Infrastructure Investments Limited
Statement of Profit and Loss
(All amounts are in millions of Indian Rupee; except per share data)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations			
Dividend Income on investments	16	11,336	5,127
		<u>11,336</u>	<u>5,127</u>
Expenses			
Employee benefits expense	17	8	8
Other expenses	18	101	63
		<u>109</u>	<u>71</u>
Profit before tax		11,227	5,056
Tax expense			
Current Tax	19	-	-
Deferred Tax	19	-	-
		<u>-</u>	<u>-</u>
Profit for the year		11,227	5,056
Other comprehensive income ('OCI')			
Items not to be reclassified subsequently to profit or loss :			
- Loss on investment fair value through OCI ('FVTOCI')		(3,684)	(17,854)
Other comprehensive loss for the year		<u>(3,684)</u>	<u>(17,854)</u>
Total comprehensive income / (loss) for the year		7,543	(12,798)
Earnings per equity share (in Rs.)			
Face Value of Rs. 10 each			
Basic	23	224,540	101,129
Diluted		273	101,129

The accompanying notes 1 to 28 forms an integral part of the Financial Statements.

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration No: 117366W / W-100018



Niles H. Lahoti
Partner
 Membership No. 130054
 Place : Surugram



Date : June 22, 2021

For and on behalf of the Board of Directors of
Nettle Infrastructure Investments Limited


Badal Bagri
Director
 DIN - 00367278
 Place: Gurugram


Pankaj Tewari
Director
 DIN - 08006533
 Place: Gurugram



Nettle Infrastructure Investments Limited
Statement of Changes in Equity
(All amounts are in millions of Indian Rupee; unless stated otherwise)

Equity share capital (A)

Particulars	Balance at the beginning of the reporting period (April 1, 2020)	Change in equity share capital during the year	Balance at the end of the reporting period (March 31, 2021)
Equity share capital	1	-	1


Other equity (B)

Particulars	Reserve and surplus - Retained Earnings	FVTOCI reserve	Total
Balance at the beginning of the reporting period (April 1, 2019)	(1,349)	(9,764)	(11,113)
Profit for the year	5,056	-	5,056
Other comprehensive loss for the year	-	(17,854)	(17,854)
Total comprehensive loss for the year	5,056	(17,854)	(12,798)
Balance at the end of the reporting period (March 31, 2020)	3,707	(27,618)	(23,911)
Profit for the year	11,227	-	11,227
Other comprehensive loss for the year	-	(3,684)	(3,684)
Total comprehensive income for the year	11,227	(3,684)	7,543
Dividends	(2,361)	-	(2,361)
Balance at the end of the reporting period (March 31, 2021)	12,573	(31,302)	(18,729)

The accompanying notes 1 to 28 forms an integral part of the Financial Statements.

As per our report of even date


For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration No: 117366W / W-100018



Nilesh M. Lahoti
Partner
 Membership No. 130054
 Place : Gurugram



For and on behalf of the Board of Directors of
Nettle Infrastructure Investments Limited



Badal Bagri
Director
 DIN - 00367278
 Place: Gurugram



Director
 DIN - 08006533
 Place: Gurugram

Date : June 22, 2021



Nettle Infrastructure Investments Limited
Statement of Cash Flows
(All amounts are in millions of Indian Rupee; unless stated otherwise)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flow from operating activities:		
Profit before tax	11,227	5,052
Adjustments for:		
Loss on sale of investments	30	-
Operating cash flow before changes in working capital	11,257	5,052
Adjustments for changes in working capital :		
Other financial / non-financial assets	0	(-)
Other financial / non-financial liabilities	65	1
Cash generated from operations before tax	11,322	5,057
Income taxes paid - Net	(56)	-
Net cash generated from operating activities (A)	11,266	5,057
Cash flow from investing activities:		
Purchase of investment	(29,287)	(95)
Sale of investment	69	-
Net cash used in investing activities (B)	(29,218)	(95)
Cash flow from financing activities:		
Repayment of borrowing	(11,967)	(5,132)
Proceeds from borrowing	32,287	161
Dividend paid	(2,361)	-
Net cash generated from / (used in) financing activities (C)	17,959	(4,971)
Net increase / (decrease) in cash & cash equivalents during the year (A+B+C)	7	(9)
Cash and cash equivalents at the beginning of the year	3	12
Cash and cash equivalents at the end of the year (Note 5)	10	3

The above Cash Flow Statement has been prepared under the 'indirect method' as set out in Ind AS 7 'Statement of Cash Flows'.

The accompanying notes 1 to 28 forms an integral part of the financial statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration No: 117366W / W-100018

For and on behalf of the Board of Directors of
Nettle Infrastructure Investments Limited



Nilesh H. Lahoti
Partner
 Membership No. 130054
 Place : Gurugram





Badal Bagri
Director
 DIN - 00367278
 Place: Gurugram



Pankaj Tewari
Director
 DIN - 08006533
 Place: Gurugram

Date : June 22, 2021



Nettle Infrastructure Investments Limited
Notes forming part of the Financial Statements
(All amounts are in millions of Indian Rupee; unless stated otherwise)

1. Corporate information

Nettle Infrastructure Investments Limited ('Company'), is incorporated under the Companies Act, 1956 and having its registered office at Airtel Center, Plot No. 16, Udyog Vihar, Phase-IV, Gurugram – 122015, Haryana, India.

The principal activities of the Company is to promote, establish and fund companies engaged in business for providing telecom services and other companies engaged in the activities ancillary to the telecom industry.

2. Significant accounting policies

2.1 Basis of preparation

These standalone financial statements ("financial statements") have been prepared to comply in all material respects with the Indian Accounting standards ("Ind AS") as specified under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of Companies (Indian Accounting Standard) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India.

The financial statements are authorised for issue by the Company's Board of Directors on June 22, 2021.

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgment 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 are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and Division III of Schedule III of the Act. Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are disaggregated separately in the notes to the financial statements, where applicable or required.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Company, to all the periods presented in the said financial statements. Further, the Company is an investment Company, and hence purchase and sale of Investment have been considered as part of 'Cash flow from investing activities' and dividend earned has been considered as part of 'cash flow from operating activities'.

In accordance with Ind AS 110 "Consolidated Financial Statements", the Company has elected not to prepare consolidated financial statements as the Company is a wholly owned subsidiary of Bharti Airtel Limited, which prepares the consolidated financial statements and can be obtained at Airtel Center, Plot no. 16, Udyog Vihar, Phase – IV, Gurugram – 122015, Haryana, India.



Nettle Infrastructure Investments Limited
Notes forming part of the Financial Statements
(All amounts are in millions of Indian Rupee; unless stated otherwise)

The financial statements are presented in Indian Rupees which is the functional and presentation currency of the Company. All the amounts included in the financial statements are reported in millions of Indian Rupee ('Rupee' or 'Rs.')

 and are rounded to the nearest million, except per share data and unless stated otherwise. Further, due to rounding off, certain amounts are appearing as '0'.

New amendments adopted during the year

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

- Ind AS 103, Business Combinations
- Ind AS 107, Financial Instruments: Disclosures
- Ind AS 109, Financial Instruments
- Ind AS 116, Leases
- Ind AS 1, Presentation of Financial Statements
- Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- Ind AS 10, Events after the Reporting Period
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

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

Schedule III Division III

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

Amendments to Standards issued but not effective

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

- Ind AS 103, Business Combinations
- Ind AS 105, Non - Current Assets Held for Sale and Discontinued Operation
- Ind AS 107, Financial Instruments: Disclosures
- Ind AS 109, Financial Instruments
- Ind AS 27, Separate Financial Statements
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets
- Ind AS 38, Intangible Assets

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



2.2 Basis of measurement

The financial statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment. The principle variations from the historical cost convention relate to financial instruments which are classified as fair value through profit and loss.

Fair value measurement

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

The Company is required to classify the fair valuation method of the financial instruments, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data 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 Common control transactions

Business combinations arising from transfers of interest in entities that are under the common control, are accounted at historical cost. The difference between any consideration given / received and the aggregate historical carrying amounts of assets and liabilities of the interest acquired / disposed are recorded in retained earnings, a component of equity.

2.4 Financial instruments

a. Recognition, classification and presentation

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

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



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The Company recognises its investment in associates 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. The Company classifies its financial assets in the following categories: a) those to be measured subsequently at fair value through profit or loss, b) those to be measured at amortised cost and, c) those measured at FVTOCI.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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

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

b. Measurement –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 a financial asset not at fair value through profit or loss, transaction costs. Otherwise transaction costs are expensed in the statement of profit and loss.

II. Subsequent measurement - financial assets

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

i. Financial assets measured at amortised cost

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

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

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



iii. Financial assets at fair value through other comprehensive income

Equity investments which are not held for trading and for which the Group has elected to present the change in the fair value in other comprehensive income and debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flow represent solely payment of principal and interest, are measured at FVTOCI.

When the financial asset is derecognised, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss in case of equity instruments. Dividends from such investments are recognised in statement of profit and loss when the company's right to receive payment is established.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month, expected credit loss (ECL) is used to provide for impairment loss, otherwise lifetime ECL is used.

iii. Subsequent measurement - financial liabilities

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

c. Derecognition

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

2.5 Taxes

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

a. Current tax

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



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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.

b. Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. However, 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.

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

2.6 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).

2.7 Share capital

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



2.8 Revenue recognition

Revenue is recognised when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be measured reliably. Revenue is recognised at the fair value of the consideration received or receivable.

Dividend income

Dividends are recognised in profit or loss only when: (a) the entity's right to receive payment of the dividend is established; (b) it is probable that the economic benefits associated with the dividend will flow to the entity; and (c) the amount of the dividend can be measured reliably.

2.9 Dividends paid

Dividend to shareholders is recognized as a liability and deducted from equity, in the year in which the dividends are approved by the shareholders. However, interim dividends declared by the Board of directors, which does not need shareholders' approval, are recognized as a liability and deducted from retained earnings, in the year in which the dividends are so declared.

2.10 Earnings per share (EPS)

The Company presents the Basic and Diluted EPS.

Basic EPS is computed by dividing the profit for the year 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. Critical accounting estimates, assumptions and judgements

The estimates and judgements used in the preparation of the 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



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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.

Key sources of estimation uncertainties

The estimates and assumption that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are discussed below:

Impairment reviews

The Company conducts impairment reviews of investments in 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 which base on future cash flows, after taking into account past experience management's best estimate about future developments. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period (refer note 6).

4. Significant transactions

- (i) The Bharti Airtel Limited ('Parent company') announced a new corporate structure on April 14, 2021 to sharpen its focus on driving the rapidly unfolding digital opportunity in India while enabling it to unlock value. To give effect to this proposed rearrangement, the Board of Directors of the Parent company, in its meeting held on April 14, 2021, has approved the composite scheme of arrangement ('Scheme') between the Company, Parent company, Airtel Digital Limited, Telesonic Networks Limited and Airtel Limited and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the Act for (a) amalgamation of Company, Airtel Digital Limited and Telesonic Networks Limited, wholly-owned subsidiaries with and into Parent company; and (b) demerger of the Telecom Business Undertaking of Parent company and vesting of the same with Airtel Limited, its wholly-owned subsidiary on a going concern basis, subsequent to the completion of the aforesaid amalgamations. As on the date of financial statements, the Scheme is subject to the applicable statutory / regulatory approvals and the effect of the Scheme will be accounted after obtaining such approvals.
- (ii) On April 25, 2018, Indus Towers Limited (the 'Transferee Company'), (formerly known as Bharti Infratel Limited, which was a fellow subsidiary of the Company) and erstwhile Indus Towers Limited (the 'Transferor Company') and their respective shareholders and creditors had entered into a proposed scheme of



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amalgamation and arrangement (under Sections 230 to 232 and other applicable provisions of the Act) ('Scheme') to create a pan-India tower company operating across all 22 telecom service areas. Over time, the Scheme had received all the necessary approvals from the authorities and a certified copy of the National Company Law Tribunal order was filed with the Registrar of Companies on November 19, 2020 i.e. the effective date of merger. Upon the Scheme becoming effective, the Transferor Company stood dissolved without being wound-up.

The merger has resulted in a loss of control of the parent over the Transferee Company w.e.f. November 19, 2020 and led to a formation of a joint venture with joint control being shared between the Company along with its parent and Vodafone Group with a shareholding of 36.73% and 28.12% respectively and the balance of 35.15% being owned by other shareholders.

On December 2, 2020 and December 28, 2020, the Company has acquired an additional stake of 4.935180% and 0.064816%, respectively, in the Transferee Company, which has been recognised at fair value through other comprehensive income.

(iii) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. The Ministry of Labour and Employment ('Ministry') has issued draft of the Code on Social Security (Central) Rules, 2020 on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. However, the date on which the Code will come into effect has not been notified. The Company is assessing the impact of the Code and will record any related impact in the period the Code becomes effective.

(iv) During the year ended March 31, 2020, the Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 to pay taxes at a lower rate subject to certain conditions. Accordingly, the Company has recognised provision for income tax basis the rate prescribed in said section.



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5. Cash and cash equivalents

Particulars	As of	As of
	March 31, 2021	March 31, 2020
Balances with Banks	10	3
Total	10	3

6. Investments

Particulars	As of March 31, 2021			As of March 31, 2020		
	Designated at FVTOCI	Others (at cost)	Total	Designated at FVTOCI	Others (at cost)	Total
Investment in associates						
Seynse Technologies Private Limited (Nil equity share, March 31, 2020: 6,824 equity share of Rs 10 each)	-	-	-	-	250	250
Juggernaut Books Private Limited (2,100,472 equity shares of Rs 10 each, March 31, 2020: 2,100,472 equity share of Rs 10 each)	-	120	120	-	120	120
Bharti Telemedia Limited (147,958,000 equity shares of Rs 10 each, March 31, 2020: 147,958,000 equity share of Rs 10 each)	-	12,614	12,614	-	12,614	12,614
Nutra Data Limited (3,967,857 equity share of Rs 10 each, March 31, 2020: 3,967,857 equity share of Rs 10 each)	-	40	40	-	40	40
Airtel Digma Limited (formerly known as Wynk Limited) (39,286 equity share of Rs 10 each, March 31, 2020: 39,286 equity share of Rs 10 each)	-	354	354	-	354	354
	-	13,128	13,128	-	13,378	13,378
Other Investment						
Indus Towers Limited (formerly known as Bharti Infratel Limited) (503,628,998 equity share of Rs. 10 each, March 31, 2020: 368,882,250 equity share of Rs.10 each)	123,389	-	123,389	97,754	-	97,754
Editorji Technologies Private Limited (16,074 fully paid-up equity share of Rs 10 each, March 31, 2020: 28,570 fully paid-up equity share of Rs 10 each)	69	-	69	200	-	200
Total - Gross (A)	123,458	13,128	136,586	97,954	13,378	111,332
Investments outside India	-	-	-	-	-	-
Investment in India	123,458	13,128	136,586	97,954	13,378	111,332
Total - Gross (B)	123,458	13,128	136,586	97,954	13,378	111,332
Less: Allowance for Impairment loss (C)	-	-	-	-	250	250
Total - Net (A)-(C)	123,458	13,128	136,586	97,954	13,128	111,082



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7. Financial assets - others

Particulars	As of	As of
	March 31, 2021	March 31, 2020
Security Deposit	0	0
Other Receivables	0	0
Total	0	0

8. Non-financial assets - others

Particulars	As of	As of
	March 31, 2021	March 31, 2020
Others	0	0
Total	0	0

9. Debt securities

Particulars	As of March 31, 2021			As of March 31, 2020		
	At amortised cost	Designated at FVTPL	Total	At amortised cost	Designated at FVTPL	Total
	0.0001% Optionally Convertible Debentures ('OCD')	-	150,000	150,000	-	-
Total	-	150,000	150,000	-	-	-

During the year ended March 31, 2021, unsecured term loan amounting to Rs. 150,000 has been converted into 15,000 Optionally Convertible Debentures (OCD) of Rs. 10 per each OCD having a coupon of 0.0001% per annum.

10. Borrowings

Particulars	As of March 31, 2021			As of March 31, 2020		
	At amortised cost	Designated at FVTPL	Total	At amortised cost	Designated at FVTPL	Total
	Term Loans- Unsecured from Bharti Airtel Limited*	5,330	-	5,330	135,010	-
Total (A)	5,330	-	5,330	135,010	-	135,010
Borrowing in India	5,330	-	5,330	135,010	-	135,010
Borrowing outside India	-	-	-	-	-	-
Total (B)	5,330	-	5,330	135,010	-	135,010

*interest free and repayable on demand.



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11. Trade payables

Particulars	As of March 31, 2021	As of March 31, 2020
- Micro enterprises and small enterprises	-	-
- Creditors other than micro enterprises and small enterprises	56	1
Total	56	1

Micro, small & medium enterprises development act, 2006 ('MSMED') disclosure

There are no dues to micro and small enterprises as required under MSMED Act 2006, based on the information available with the Company.

12. Other financial liabilities

Particulars	As of March 31, 2021	As of March 31, 2020
Due to employees	0	1
Total	0	1

13. Provisions

Particulars	As of March 31, 2021	As of March 31, 2020
Gratuity	0	0
Other employee benefit plans	0	0
Total	0	0

14. Non-financial liabilities - others

Particulars	As of March 31, 2021	As of March 31, 2020
Taxes payable	11	0
Others	0	-
Total	11	0



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15. Equity share capital

Particulars	As of March 31, 2021		As of March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Authorised capital (equity shares of Rs. 10 each)	50,000	1	50,000	1
	50,000	1	50,000	1
Issued subscribed and fully paid (equity shares of Rs. 10 each)	50,000	1	50,000	1
	50,000	1	50,000	1

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

	As of March 31, 2021		As of March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	50,000	1	50,000	1
Issued during the year	-	-	-	-
Outstanding at the end of the year	50,000	1	50,000	1

b) Details of shares held by shareholders

Name of the shareholder	As of March 31, 2021		As of March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Parent Company				
Bharti Airtel Limited & its nominees	45,000	90.00%	45,000	90.00%
Fellow Subsidiary				
Bharti Airtel Services Limited	5,000	10.00%	5,000	10.00%

c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As of March 31, 2021		As of March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Bharti Airtel Limited & its nominees	45,000	90.00%	45,000	90.00%
Bharti Airtel Services Limited	5,000	10.00%	5,000	10.00%



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d) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Dividend

During the year ended March 31, 2021, the Board of Directors has declared an interim dividend of Rs. 30,248 and Rs. 16,969 per equity share for the financial year 2020-21 in its meetings held on August 6, 2020 and February 16, 2021 respectively, which has been paid subsequently.

Further, the Board of Directors in its meeting held on June 22, 2021 has declared interim dividend of Rs. 179,453 per equity share for financial year 2020-21. Accordingly, the Company has claimed benefits of such dividend under section 80M of Income Tax Act 1961 while computing its current tax.

16. Revenue from operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividend income on investments	11,336	5,127
Total	11,336	5,127

17. Employee benefits expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	8	3
Contribution to provident and other funds	0	0
Defined benefit obligation / other long term benefits	0	0
Total	8	3



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Employee benefits

The details of significant employee benefits are as follows:

	For the year ended			
	March 31, 2021		March 31, 2020	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Obligation:				
Balance as at beginning of the year	0	0	0	0
Current service cost	0	0	0	0
Interest cost	0	0	0	0
Benefits paid	(0)	(0)	(0)	(0)
Remeasurements	0	0	0	(0)
Present value of obligation	0	0	0	0

As at March 31, 2021, expected contributions for the next annual reporting period is Rs. 0.

Due to its defined benefits plans, the Company is exposed to the following significant risks:

Changes in bond yields - A decrease in bond yields will increase plan liability.

Salary risk - The present value of the defined benefits plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The financial (per annum rates) and demographic assumptions used to determine defined benefits obligations are as follows:

	As of	
	March 31, 2021	March 31, 2020
Discount rate	6.79%	6.90%
Rate of return on plan assets	N.A.	N.A.
Rate of salary increase	7.50%	7.50%
Rate of attrition	24% to 26%	0% to 12%
Retirement age	58	58

Sensitivity analysis

The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.



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The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefits obligations is given in the table below:

	Change in assumption	As of	
		March 31, 2021 Gratuity	March 31, 2020 Gratuity
Discount rate	+1%	(0)	(0)
	-1%	0	0
Salary growth rate	+1%	0	0
	-1%	(0)	(0)

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefits obligations, as a result of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular underlying actuarial assumption, while assuming all other assumptions to be constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The table below summarises the maturity profile and duration of the gratuity liability:

	As of	
	March 31, 2021	March 31, 2020
Within one year	0	0
Between one and three years	0	0
Between three and five years	0	0
Over five years	0	0
Weighted average duration (in years)	3.75	10.71

18. Other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Charity & donation*	63	€3
Legal and professional charges^	1	0
Loss on sale of investment	30	-
Bank charges	0	0
Others	7	0
Total	101	€3



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* As per the requirements of section 135 of the Act, the Company was required to spend an amount of Rs. 63 and Rs. 63 for the year ended March 31, 2021 and March 31, 2020 respectively on corporate social responsibility expenditure. During the year ended March 31, 2021 and March 31, 2020, the Company has made a contribution of an amount of Rs. 3 and Rs. 63 respectively to Bharti Foundation towards corpus fund which is utilized to meet part of the operational expenses of the education program of Bharti Foundation.

^Details of auditor's remuneration (excluding GST) included in Legal and professional Charges

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Audit fee	0	0
Total	0	0

19. Income Tax

The reconciliation between the amount computed by applying the statutory income tax rate to the profit before tax and income tax charge is summarised below:

	For the year ended	
	March 31, 2021	March 31, 2020
Profit before tax	11,227	5,055
Tax expense @ 25.168%	2,826	1,273
Effect of:		
Income not taxable (net)	-	(1,273)
Benefit claimed under provisions of Income Tax Act	(2,826)	-
Income tax expense	-	-

Statement of Other Comprehensive Income

Deferred tax related to Items charged or credited to Other Comprehensive Income during the year:

- Tax on (loss) / gain on investment through OCI

Tax charged to Other Comprehensive Income



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20. Fair value of financial assets and liabilities

Fair value is the price at the measurement date, at which an asset can be sold or a liability can be transferred, in an orderly transaction between market participants.

Financial instruments whose carrying amount approximates fair value

Management has determined that the carrying amounts of cash and cash equivalents, borrowings and other payables & accruals reasonably approximate their fair values because these are short term in nature and repriced regularly. Amounts due to / from related companies, approximate their fair value as the interest rates charged to / by related companies are approximately equivalent to interest rate prevailing in the market and repriced regularly.

	Level	Carrying value as of		Fair value as of	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets					
Investments					
Investment (FVTOCI)*	Level 1	123,389	97,754	123,389	97,754
Investment (FVTOCI)	Level 3	69	200	69	200
Other Investments (at cost)		13,128	13,128	13,128	13,128
Amortised costs					
Cash & cash equivalents		10	3	10	3
		136,596	111,085	136,596	111,085
Financial liabilities					
FVTPL					
Debt securities	Level 2	150,000	-	150,000	-
Amortised costs					
Borrowings		5,330	135,010	5,330	135,010
Trade payables		56	1	56	1
Others		0	1	0	1
		155,386	135,012	155,386	135,012

*During the year ended March 31, 2020, the Company valued investment at FVTOCI at Level 3 fair value measurements as the Company believed that considering this investment was of strategic nature and the quoted price in an active market did not represent fair value at the measurement date i.e. March 31, 2020. Accordingly, Level 3 basis fair valuation was considered more appropriate measure of fair value for this investment.



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21. Contingent liabilities and capital commitments

There are no contingent liabilities and capital commitments in the current year as well as in the previous year.

22. 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 to promote, establish and fund companies engaged in business for providing telecom services and other companies engaged in the activities ancillary to the telecom industry. Accordingly, no operating segment financial information is disclosed.

23. Earnings per share

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share

	For the year ended	
	March 31, 2021	March 31, 2020
Profit attributable to equity shareholders as per statement of profit and loss (A)	11,227	5,052
Weighted average number of equity shares ('000) for calculation of basic earning per share (B)	50	50
Weighted average number of equity shares ('000) for calculation of diluted earning per share (C)	41,146	50
Equity shares of face value Rs. 10 per share		
1) Basic (A/B)	224,540	101,125
2) Diluted (A/C)	273	101,125

24. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations. The key financial risk is liquidity risk and is summarised below:

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 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.



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Analysis of financial instruments by remaining contractual maturities

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

	As of March 31, 2021					Total
	Carrying amount	On demand	Less than 6 months	6 to 12 months	> 1 years	
Borrowings	5,330	5,330	-	-	-	5,330
Debt Securities	150,000	-	-	-	150,000	150,000
Other financial liabilities	0	-	0	-	-	0
Trade payables	56	-	56	-	-	56
Financial liabilities	155,386	5,330	56	-	150,000	155,386

	As of March 31, 2020					Total
	Carrying amount	On demand	Less than 6 months	6 to 12 months	> 1 years	
Borrowings	135,010	135,010	-	-	-	135,010
Other financial liabilities	1	-	1	-	-	1
Trade payables	1	-	1	-	-	1
Financial liabilities	135,012	135,010	2	-	-	135,012

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

	April 1, 2020	Cash flows	Non cash changes	March 31, 2021
Borrowings	135,010	20,320	(150,000)	5,330
Debt Securities	-	-	150,000	150,000

	April 1, 2019	Cash flows	Non cash changes	March 31, 2020
Borrowings	139,981	(4,971)	-	135,010



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25. COVID-19

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

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

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

26. 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 considers its equity as capital and manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to 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, 2021 and March 31, 2020.

The Company monitors capital using a gearing ratio, which is calculated as below:

	As of	
	March 31, 2021	March 31, 2020
Debt Securities	150,000	-
Borrowings	5,330	135,010
Less: cash and cash equivalents	10	3
Net debt (A)	155,320	135,007
Equity	(18,728)	(23,910)
Total capital	(18,728)	(23,910)
Capital and net debt (B)	136,592	111,097
Gearing ratio (A/B)	113.7%	121.5%



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27. Related Party disclosures

Parent company

Bharti Airtel Limited

Ultimate controlling entity

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

Other entities with whom transactions have taken place during the reporting periods

Fellow subsidiary

Indus Tower Limited (formerly known as Bharti Infratel Limited) upto November 18, 2020
Bharti Airtel services Limited

Associates

Juggernaut Books Private limited
Bharti Telemedia Limited
Nadra Data Limited
Airtel Digital Limited (formerly known as Wynk Limitec)

Joint Venture of parent company

Indus Tower Limited (formerly known as Bharti Infratel Limited) w.e.f. November 19, 2020



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The summary of transactions with above mentioned parties is as follows:

	For the year ended	
	March 31, 2021	March 31, 2020
Loan taken / (repayment) from parent company		
Loan taken	32,287	161
Loan repayment	(11,967)	(5,132)
Share purchased in joint venture		
Indus Tower limited (formerly known as Bharti Infratel Limited)	29,287	-
Dividend income from Fellow subsidiary		
Indus Tower limited (formerly known as Bharti Infratel Limited)\$	2,361	5,127
Dividend income from joint venture		
Indus Tower limited (formerly known as Bharti Infratel Limited)\$	8,975	-
Dividend Paid		
Bharti Airtel Limited	2,125	-
Bharti Airtel Services Limited	236	-

The outstanding balances are as follows:

	As of	
	March 31, 2021	March 31, 2020
Loan outstanding		
Bharti Airtel Limited	5,330	135,010
Debt securities		
Bharti Airtel Limited	150,000	-

\$refer note 4(ii)

28. As of March 31, 2021, the accumulated losses exceeds the paid up share capital of the Company. However, this is mainly due to the losses arising from common control transactions and FVTOCI. The Company's ability to continue as a going concern is dependent on successful realisation of its investments beyond its carrying value and its ability to arrange funding for the business. The Company based on its dividend income / realisation of investments and undertaking received from Bharti Airtel Limited (Parent Company) to facilitate appropriate financial support, in case required, is confident of meeting its funding requirements in the foreseeable future. The undertaking is valid till twelve months from approval of financial statements by the Board of Directors of the Company. Accordingly, these financial statements have been prepared on a going concern basis.

