

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 31 March 2020, 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 31 March 2020, and its profit, total comprehensive loss, 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.

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 Director's Report including Annexure to the Board's Report, 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 income, 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 Income, 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 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 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 did 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)

-Sd-

Signature

Nilesh H Lahoti

(Partner)

(Membership No. 130054)

(UDIN: 20130054AAAARE2142)

Place: Gurugram

Date: 15 June 2020

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, 2020 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 31 March 2020 , 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)

-Sd-

Signature

Nilesh H Lahoti

(Partner)

(Membership No. 130054)

(UDIN: 20130054AAAARE2142)

Place: Gurugram

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 did not have any fixed assets and hence reporting under clause 3(i) of the Order is not applicable to the Company.

ii. The Company did not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable to the Company.

iii. According to the 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 31 March 2020 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 is regular in depositing undisputed statutory dues, including Income-tax and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax and other material statutory dues in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Goods and Services tax, Customs Duty, cess and other material statute as on 31 March 2020 on account of disputes.

viii. In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of the Order is not applicable.

ix. During the current year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

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. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

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)

-Sd-

Signature

Nilesh H Lahoti

(Partner)

(Membership No. 130054)

(UDIN: 20130054AAAARE2142)

Place: Gurugram

Date: 15 June 2020

Nettle Infrastructure Investments Limited
Balance Sheet as at March 31, 2020
(All amounts are in millions of Indian Rupee)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
Assets			
Financial assets			
Cash and cash equivalents	5	3	12
Investments	6	111,082	128,841
Others	7	0	-
		111,085	128,853
Non-financial assets			
Others	8	17	17
		17	17
Total Assets			
		111,102	128,870
Liabilities and equity			
Liabilities			
Financial liabilities			
Borrowings	9	135,010	139,981
Trade payables	10		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		1	0
Other financial liabilities	11	1	1
		135,012	139,982
Non-financial liabilities			
Provisions	12	0	-
Others	13	0	0
		0	0
Equity			
Equity share capital	14	1	1
Other equity		(23,911)	(11,113)
		(23,910)	(11,112)
Total liabilities and equity			
		111,102	128,870
Significant accounting policies	2		

The accompanying notes 1 to 26 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

-Sd-

Nilesh H. Lahoti
Partner
Membership No. 130054

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

-Sd-

Nakul Sehgal
Director
DIN - 08408237
Place: New Delhi

-Sd-

Devendra Khanna
Director
DIN - 01996768
Place: New Delhi

Place : Gurgaon

Date : June 15, 2020

Nettle Infrastructure Investments Limited
Statement of Profit and Loss for the year ended March 31, 2020
(All amounts are in millions of Indian Rupee; except per share data)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	15		
Dividend Income		5,127	1,266
Profit on sale of investments		-	9,714
		5,127	10,980
Expenses			
Employee benefits expense	16	8	-
Other expenses	17	63	250
		71	250
Profit before tax		5,056	10,730
Tax expense			
Current Tax	18	-	-
Defferd Tax	18	-	-
		-	-
Profit for the year		5,056	10,730
Other comprehensive income ('OCI')			
Items not to be reclassified subsequently to profit or loss :			
Loss on investment fair value through OCI ('FVTOCI')		(17,854)	(17,903)
Income tax credit	18	-	137
Other comprehensive loss for the year		(17,854)	(17,766)
Total comprehensive loss for the year		(12,799)	(7,036)
Earnings per equity share (in Rs.)			
(Basic and Diluted) Face Value of Rs. 10 each	22	101,120	214,595

The accompanying notes 1 to 26 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

-Sd-

Nilesh H. Lahoti
Partner
Membership No. 130054

Place : Gurgaon

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

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Nakul Sehgal
Director
DIN - 08408237
Place: New Delhi

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Devendra Khanna
Director
DIN - 01996768
Place: New Delhi

Date : June 15, 2020

Nettle Infrastructure Investments Limited
Statement of Changes in Equity for the year ended March 31, 2020
(All amounts are in millions of Indian Rupee; unless stated otherwise)

Statement of changes in equity

Equity share capital (A)

Particulars	Balance at the beginning of the reporting period	Change in equity share capital during the year	Balance at the end of reporting period
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 01, 2018)	(25,147)	8,002	(17,145)
Profit for the year	10,730	-	10,730
Other comprehensive loss for the year	-	(17,766)	(17,766)
Total comprehensive income for the year	10,730	(17,766)	(7,036)
Common control transactions*	13,068		13,068
Balance at the end of the reporting period (March 31, 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 income for the year	5,056	(17,854)	(12,798)
Balance at the end of the reporting period (March 31, 2020)	3,706	(27,618)	(23,911)

* Refer Note 2.3 and 4(iii)

The accompanying notes 1 to 26 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

-Sd-

Nilesh H. Lahoti
Partner
 Membership No. 130054

Place : New Delhi

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

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Nakul Sehgal
Director
 DIN - 08408237
 Place: New Delhi

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Devendra Khanna
Director
 DIN - 01996768
 DIN - 01996768

Date : June 15, 2020

Nettle Infrastructure Investments Limited**Cash Flow Statement for the year ended March 31, 2020****(All amounts are in millions of Indian Rupee; unless stated otherwise)**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flow from operating activities:		
Profit before tax	5,056	10,730
Adjustments for:		
Profit on sale of investments	-	(9,714)
Impairment loss on investment	-	250
Operating profit before working capital changes	5,056	1,266
Adjustments for changes in working capital :		
(Increase)/Decrease in other financial / non-financial assets	(0)	0
Increase/(Decrease) in other financial / non-financial liabilities	1	(3)
Cash generated from operations	5,057	1,263
Income taxes paid	-	-
Net cash flow generated from operating activities	5,057	1,263
B. Cash flow from investing activities:		
Purchase of investment	(95)	(100,814)
Sale of investment	-	16,238
Net cash flow used in investing activities	(95)	(84,576)
C. Cash flow from financing activities:		
Repayment of borrowing	(5,132)	(17,504)
Proceeds from borrowing	161	100,828
Net cash flow (used in) / from financing activities	(4,971)	83,324
Net (decrease) / increase in cash & cash equivalents (A+B+C)	(10)	11
Cash and cash equivalents at the beginning of the year	12	1
Cash and cash equivalents at the end of the year	3	12

The accompanying notes 1 to 26 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**

-Sd-

Nilesh H. Lahoti**Partner**

Membership No. 130054

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

-Sd-

Nakul Sehgal**Director**

DIN - 08408237

Place: New Delhi

-Sd-

Devendra Khanna**Director**

DIN - 01996768

Place: New Delhi

Place : Gurgaon

Date : June 15, 2020

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 (formerly 'Nettle Developers Limited') ('Company'), is incorporated under the Indian Companies Act, 1956 and having its registered office at 3rd Floor, Worldmark 2 Asset 8, Aerocity, NH-8, New Delhi – 1100037.

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 the section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standard) Rules, 2015.

As of March 31, 2020, the accumulated losses exceed the paid up share capital of the Company. However, this is mainly due to the losses arising because of common control transactions. The Company's ability to continue as a going concern is dependent on success of 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 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.

The financial statements are authorised for issue by the Company's Board of Directors on June 15, 2020

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 Notes 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 Companies Act 2013. Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required.

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

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 Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi, India.

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 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:

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

Amendment to Ind AS 12, Income Taxes

MCA had notified Amendment to Ind AS 12, Income taxes, effective for annual reporting periods beginning on or after April 1, 2019. As per the amendment, an entity shall recognise the income tax consequences of dividends when it recognises a liability to pay a dividend and shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment does not have a material impact on the financial statements of the Company in addition to what the Company has already recorded/ disclosed.

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

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

- 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 impact on the financial statements of the Company in addition to what the Company has already recorded/ disclosed.

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.

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:

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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) income from financial assets at FVTPL is recognised in the statement of profit and loss within finance income separately from the other gains / losses arising from changes in the fair value.

iii. Financial assets at fair value through other comprehensive income

Equity investments which are not held for trading and for which the Company has elected to present the change in the fair value in other comprehensive income, where the assets' cash flow represent solely payment of principal and interest, are measured at FVTOCI.

When the financial asset is derecognised, the related accumulated fair value adjustments in OCI as at the date of derecognition are reclassified from equity and recognised in the statement of profit and loss. However, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss in case of equity instruments.

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 de-recognised from the balance sheet when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The financial liabilities are de-recognised 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.

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

2.6 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 un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

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 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 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

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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 under-lying 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.

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) 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 but there is no impact for current year.
- (ii) During the year ended March 31, 2019, the Company sold 76,530 thousands shares of Bharti Telemedia Limited at Rs. 212.18 which were acquired during the year ended March 31, 2018 by the Company from Bharti Airtel limited, its parent Company. In the year ended March 31, 2018, the acquisition of these shares being a common control transaction, the said investment was valued in books at Rs. 85.25 per share (viz. predecessor carrying cost of Bharti Airtel Limited) as against at the purchase price of Rs. 212.81 per share. Accordingly, the excess price paid (i.e. purchase price Rs. 212.81 less accounting price Rs. 85.25) was accounted to Equity directly. Due to recognition of investment at carrying amount of Rs. 85.25 and further sale of investments at Rs. 212.81 per share, the Company recognized the difference of Rs. 9,714 in its profit & loss on the sale.
- (iii) During the year March 31, 2019, the Company had acquired 16.76% stake of Bharti Infratel Limited from Bharti Airtel Limited, its parent Company against a consideration of Rs. 100,526. Accordingly, being a common

Nettle Infrastructure Investments Limited
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control transaction the excess of cost of investments over the payments amounting to Rs. 13,068 has been recognised in other equity.

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5. Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks	3	12
Total	3	12

6. Investments

Particulars	As at March 31, 2020			As at March 31, 2019		
	Designated at FVTOCI	Others (at cost)	Total	Designated at FVTOCI	Others (at cost)	Total
Investment in associates						
Seynse Technologies Private Limited (6,824 equity share of Rs 10 each, March 31, 2019: 6,824 equity share of Rs 10 each)	-	250	250	-	250	250
Juggernaut Books Private Limited (2,100,472 equity shares of Rs 10 each, March 31, 2019: 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, 2019: 147,958,000 equity share of Rs 10 each)	-	12,614	12,614	-	12,614	12,614
Nxtra Data Limited (3,967,857 equity share of Rs 10 each, March 31, 2019: 3,967,857 equity share of Rs 10 each)	-	40	40	-	40	40
Airtel Digital Limited (formerly known as Wynk Limited) (39,286 equity share of Rs 10 each, March 31, 2019: 39,286 equity share of Rs 10 each)	-	354	354	-	354	354
	-	13,378	13,378	-	13,378	13,378
Other Investment						
Editorji Technologies Private Limited (28,570 fully paid-up equity share of Rs 10 each, March 31, 2019: 14,285 fully paid-up, 14,285 partly paid-up equity share of Rs 10 each)	200	-	200	105	-	105
Bharti Infratel Limited (368,882,251 equity share of Rs. 10 each, March 31, 2019: 368,882,251 equity share of Rs.10 each)	97,754	-	97,754	115,608	-	115,608
Total - Gross (A)	97,954	13,378	111,332	115,713	13,378	129,091
Investments outside India	-	-	-	-	-	-
Investment in India	97,954	13,378	111,332	115,713	13,378	129,091
Total - Gross (B)	97,954	13,378	111,332	115,713	13,378	129,091
Less: Allowance for Impairment loss (C)	-	250	250	-	250	250
Total - Net (A)-(C)	97,954	13,128	111,082	115,713	13,128	128,841

Nettle Infrastructure Investments Limited
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7. Others financial assets

Particulars	As at 31 March	
	2020	As at 31 March 2019
Security Deposit	0	-
Other Receivables	0	-
Total	0	-

8. Non-financial assets - others

Particulars	As at 31 March	
	2020	As at 31 March 2019
Income tax recoverable	17	17
Others	0	-
Total	17	17

9. Borrowings

Particulars	As at March 31, 2020			As at March 31, 2019		
	At amortised cost	Designated at FVTPL	Total	At amortised cost	Designated at FVTPL	Total
Term Loans- Unsecured from Bharti Airtel Limited*	135,010	-	135,010	139,981	-	139,981
Total (A)	135,010	-	135,010	139,981	-	139,981
Borrowing in India	135,010	-	135,010	139,981	-	139,981
Borrowing outside India	-	-	-	-	-	-
Total (B)	135,010	-	135,010	139,981	-	139,981

* Repayable on demand

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10. Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
- Micro enterprises and small enterprises	-	-
- Creditors other than micro enterprises and small enterprises	1	0
Total	1	0

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

The dues to micro and small enterprises as required under MSMED Act 2006, based on the information available with the company is given below.

Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
Amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier and beyond the appointed day during each accounting year	-	0
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under MSMED Act, 2006.	-	-
Amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

11. Other financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Due to employees	1	-
Others	-	1
Total	1	1

12. Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Gratuity	0	-
Other employee benefit plans	0	-
Total	0	-

13. Non-financial liabilities - Others

Particulars	As at March 31, 2020	As at March 31, 2019
Taxes payable	0	0
Total	0	0

Nettle Infrastructure Investments Limited
Statement of Changes in Equity for year ended March 31, 2020
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14. Equity share capital

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	No of Shares	Amount	No of Shares	Amount
Authorised capital (equity shares of Rs. 10 each)				
At the beginning and end of the year	50,000	1	50,000	1
	50,000	1	50,000	1
Issued subscribed and fully paid (equity shares of Rs. 10 each)				
At the beginning and end of the year	50,000	1	50,000	1
	50,000	1	50,000	1
a) Reconciliation of the shares outstanding at the beginning and at the end of the year	As at March 31, 2020		As at March 31, 2019	
	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	As at March 31, 2020		As at March 31, 2019	
Name of the shareholder	No. of shares	% holding	No. of shares	% holding
Parent Company				
Bharti Airtel Limited & its nominees	45,000	90.00%	45,000	90.00%
Subsidiary of its parent Company				
Bharti Airtel Services Limited	5,000	10.00%	5,000	10.00%
c) Details of shareholders holding more than 5% shares in the Company	As at March 31, 2020		As at March 31, 2019	
Name of the shareholder	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%

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.

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15. Revenue from operations

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Dividend income on investments	5,127	1,266
Profit on sale of investments	-	9,714
Total	5,127	10,980

16. Employee benefit expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries,wages and bonus	8	-
Contribution to provident and other funds	0	-
Defined benefit obligation/ other long term benefits	0	-
Total	8	-

Employee benefits

The details of significant employee benefits are as follows:

	For the year ended			
	March 31, 2020		March 31, 2019	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Obligation:				
Balance as at beginning of the year	0	0	-	-
Current service cost	0	0	-	-
Interest cost	0	0	-	-
Benefits paid	(0)	(0)	-	-
Transfers	-	-	-	-
Remeasurements	0	(0)	-	-
Present value of obligation	0	0	-	-

As at March 31, 2020, expected contributions for the next annual reporting period is Rs. 0.

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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, 2020	March 31, 2019
Discount rate	6.90%	-
Rate of return on plan assets	N.A.	-
Rate of salary increase	7.50%	-
Rate of attrition	0% to 12%	-
Retirement age	58	-

Sensitivity analysis

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

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, 2020 Gratuity	March 31, 2019 Gratuity
Discount rate	+1%	(0)	-
	-1%	0	-
Salary growth rate	+1%	0	-
	-1%	(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 under-lying 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, 2020	March 31, 2019
Within one year	0	-
Between one and three years	0	-
Between three and five years	0	-
Over five years	0	-
Weighted average duration (in years)	10.71	-

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17. Other expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Charity & donation*	63	-
Legal and professional charges^	0	0
Impairment loss on investment#	-	250
Bank charges	0	0
Others	0	0
Total	63	250

* As per the requirements of section 135 of the Companies Act, 2013, the Company was required to spend an amount of Rs. 63 and Rs. Nil for the year ended March 31, 2020 and 2019 on corporate social responsibility expenditure. During the year ended March 31, 2020 and 2019, the Company has made a contribution of an amount of Rs. 63 and Rs. Nil 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	Year ended March 31, 2020	Year ended March 31, 2019
Audit fee	0	0
Total	0	0

#For Seynse Technologies Private Limited

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18. 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, 2020	March 31, 2019
Profit before tax	5,056	10,730
Tax expense @ 25.168% / 31.2%	1,273	3,348
Effect of:		
Income not taxable (net)	(1,273)	(3,348)
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	-	137
Tax charged to Other Comprehensive Income	-	137

The movement in deferred tax assets / (liabilities) during the year is as follows:

	As of	
	March 31, 2020	March 31, 2019
Opening balance	-	(137)
Tax credit / (expense) recognised in statement of profit or loss	-	-
Tax credit / (expense) recognised in OCI	-	137
Closing balance	-	-

19. 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 or re-priced regularly.

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	Level	Carrying value as of		Fair value as of	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial assets					
Investments					
FVTOCI	Level 1	-	115,608	-	115,608
FVTOCI	Level 3	97,954	105	97,954	105
Other Investments (at cost)		13,128	13,128	13,128	13,128
Amortised costs					
Cash & cash equivalents		3	12	3	12
		111,085	128,853	111,085	128,853
Financial liabilities					
Amortised costs					
Borrowings		135,010	139,981	135,010	139,981
Trade payables		1	0	1	0
Others		1	1	1	1
		135,012	139,982	135,012	139,982

During the year ended March 31, 2020, the Company transferred investment valued at FVTOCI from Level 1 to Level 3 fair value measurements as the Company believes that considering the nature of the strategic investment, Level 3 basis fair valuation shall be more appropriate measure of fair value for this investment. The movement in the fair value during the year has been presented as part of other comprehensive income in the statement of profit and loss.

The following methods / assumptions were used to estimate the fair values measurement of financials assets at level 3:

Key assumptions considered by the Company in determining recoverable amounts under Income Approach are as follows:

- Cash flow projections for the period-5 years
- Terminal Growth Rate – 3.5% per annum
- Pre – Tax Risk adjusted discount rate – 14.7% (post-tax discount rate –12%)

Besides above, other assumptions included EBIDTA margin to sustain at current levels.

Key assumptions considered by the Company in determining fair value less costs to sell under Market Approach includes the quoted price of the shares adjusted for an appropriate control premium. The assumptions used by the Company under the Market Approach includes significant unobservable inputs and therefore considered as a level 3 input under the fair value hierarchy.

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The key sensitivities based on reasonably possible change to the assumptions keeping other assumptions consistent under the Income Approach are as follows:

- 0.5% change in discount rate - Will result in fair value change of Rs. 5,164.
- 1% change in discount rate - Will result in fair value change of Rs. 9,591.
- 0.5% change in terminal growth rate - Will result in fair value change of Rs. 3,689.
- 1% change in terminal growth rate - Will result in fair value change of Rs. 6,640.

20. Contingent liabilities and capital commitments

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

21. 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 further operating segment financial information is disclosed.

22. Earnings per share (Basic and diluted)

	As of	
	March 31, 2020	March 31, 2019
Weighted average shares outstanding ('000) for basic / diluted EPS	50	50
Profit for the year	5,056	10,730

23. 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:

a. 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, 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

	As of March 31, 2019					Total
	Carrying amount	On demand	Less than 6 months	6 to 12 months	> 1 years	
Borrowings	139,981	139,981	-	-	-	139,981
Other financial liabilities	1	-	1	-	-	1
Trade payables	0	-	0	-	-	0
Financial liabilities	139,982	139,981	1	-	-	139,982

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

	April 1, 2018	Cash flows	Non cash changes	March 31, 2019
Borrowings	56,657	83,324	-	139,981

Nettle Infrastructure Investments Limited
Notes forming part of the Financial Statements
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24. COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the financial statements. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects that there is no material impact.

25. 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, 2020 and March 31, 2019.

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

	As of	
	March 31, 2020	March 31, 2019
Borrowings	135,010	139,981
Less: cash and cash equivalents	3	12
Net debt	135,007	139,969
Equity	(62,643)	(11,112)
Total capital	(62,643)	(11,112)
Capital and net debt	72,364	128,857
Gearing ratio	186.6%	108.6%

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

26. 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

Bharti Infratel Limited

Associates

Seynse Technologies Private Limited

Juggernaut books private limited

Bharti Telemedia Limited

Nxtra Data Limited

Airtel Digital Limited (formerly known as Wynk Limited)

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

	For the year ended	
	March 31, 2020	March 31, 2019
Loan taken / (repayment) from holding company		
Loan taken - Bharti Airtel Limited	161	100,828
Loan repayment - Bharti Airtel Limited	(5,132)	(17,504)
Share purchased from holding company		
Bharti Infratel limited (fellow subsidiary)	-	100,525
Share purchased in associates		
Juggernaut Books Private Limited	-	60
Dividend income from Fellow subsidiary		
Bharti Infratel limited	5,127	1,266

The outstanding balances are as follows:

	As of	
	March 31, 2020	March 31, 2019
Loan outstanding		
Bharti Airtel Limited	135,010	139,981