Network i2i (UK) Limited

Ind AS Special Purpose Financial Statements

March 31, 2021

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Independent Auditor’s Report

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Network i2i (UK) Limited

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements (SPFS) of Network i2i (UK) Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period (from 19 May 2020 to 31 March 2021) then ended, and a summary of significant accounting policies and other explanatory information, (hereinafter referred to as the "SPFS").

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

Basis for Opinion

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

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

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

Our opinion is not modified in respect of this matter.

Management's Responsibility for the Special Purpose Financial Statements

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

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

In preparing the SPFS, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the SPFS are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these SPFS.

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

- Identify and assess the risks of material misstatement of the SPFS, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the SPFS or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the SPFS, including the disclosures, and whether the SPFS represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Sd/-
Nilesh Lahoti
(Partner)
(Membership No. 130054)
UDIN: 21130054AAAAIX4011

Place: Gurugram
Date: 6 August 2021

Ind AS Special Purpose Financial Statements

NETWORK i2i (UK) LIMITED
Special Purpose Balance Sheet
(All amounts are in GBP –'£', unless stated otherwise**)**

	Notes	As of March 31, 2021* Unaudited (Rs. '000)	As of March 31, 2021* Audited
Assets			
Non-current assets			
Property, plant and equipment		-	-
		-	-
Current assets			
Financial assets			
- Cash and cash equivalents	3	174,870	1,736,825
		174,870	**1,736,825**
Total Assets		**174,870**	**1,736,825**
Equity and Liabilities			
Equity			
Equity share capital	4	153	1,523
Other equity		13,380	132,893
Total equity		**13,533**	**134,416**
Non-current liabilities			
Provisions		-	-
		-	-
Current liabilities			
Current tax liabilities (net)		2,968	29,478
Other current liabilities	6	158,369	1,572,931
		161,337	**1,602,409**
Total liabilities		**161,337**	**1,602,409**
Total equity and liabilities		**174,870**	**1,736,825**

*Refer note 2

The accompanying notes 1 to 17 form an integral part of these special purpose financial statements.

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

For and on behalf of the Board of Directors of Network i2i (UK) Limited

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

Sd/-
Srikanth Balachandran
Director
Place: London, UK

Sd/-
Jantina Catharina Van De Vreede
Director
Place: Amsterdam, Netherlands

Date: August 6, 2021

NETWORK i2i (UK) LIMITED

Special Purpose Statement of Profit and Loss

(All amounts are in GBP –'£', unless stated otherwise**)**

	Notes	For the year ended March 31, 2021* Unaudited (Rs. '000)	For the year ended March 31, 2021* Audited
Income			
Revenue from operations	7	207,069	2,056,616
Other income		7	67
		207,076	**2,056,683**
Expenses			
Employee benefits expenses	8	183,218	1,819,727
Other expenses	9	1,312	13,029
		184,530	**1,832,756**
Profit before finance costs and tax		**22,546**	**223,927**
Finance costs	10	6,027	59,862
Profit before tax		**16,519**	**164,065**
Tax expense			
Current tax	11	3,139	31,172
Total tax expense		**3,139**	**31,172**
Profit for the year		**13,380**	**132,893**
Other comprehensive income		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**13,380**	**132,893**
Earnings per share (In Rupee / GBP)			
(Face value of USD 1 each)			
Basic and diluted earnings per share	15	6.69	66.45

*Refer note 2

The accompanying notes 1 to 17 form an integral part of these special purpose financial statements.

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

For and on behalf of the Board of Directors of Network i2i (UK) Limited

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

Sd/-
Srikanth Balachandran
Director
Place: London, UK

Sd/-
Jantina Catharina Van De Vreede
Director
Place: Amsterdam, Netherlands

Date: August 6, 2021

	Equity share capital		Other equity - Reserve and Surplus		
	No. of shares	Share capital	Retained earnings	Total	Total Equity
At the date of incorporation	-	-	-	-	-
Issue of equity share capital (refer note 4)	2,000	1,523	-	-	1,523
Profit for the year	-	-	132,893	132,893	132,893
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year			**132,893**	**132,893**	**132,893**
At March 31, 2021	**2,000**	**1,523**	**132,893**	**132,893**	**134,416**

The accompanying notes 1 to 17 form an integral part of these special purpose financial statements.

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

For and on behalf of the Board of Directors of Network i2i (UK) Limited

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

Sd/-
Srikanth Balachandran
Director
Place: London, UK

Sd/-
Jantina Catharina Van De Vreede
Director
Place: Amsterdam, Netherlands

Date: August 6, 2021

NETWORK i2i (UK) LIMITED
Special purpose Statement of Cash flows
(All amounts are in GBP –'£', unless stated otherwise**)**

	For the year ended March 31, 2021
Cash flows from operating activities	
Profit before tax	**164,065**
Adjustments for:	
Interest income	(67)
Finance costs	59,862
Operating cash flow before changes in working capital	**223,860**
Changes in working capital	
Other financial and non-financial liabilities	1,571,237
Net cash generated from operations before tax	**1,795,097**
Income tax (paid) - net	-
Net cash generated from operating activities (a)	**1,795,097**
Cash flows from investing activities	
Interest received	67
Net cash generated from investing activities (b)	**67**
Cash flows from financing activities	
Issue of share capital	1,523
Interest and other finance charges paid	(59,862)
Net cash used in financing activities (c)	**(58,339)**
Net increase in cash and cash equivalents during the year (a+b+c)	**1,736,825**
Add : Cash and cash equivalents as at the beginning of the year	-
Cash and cash equivalents as at the end of the year (refer note 3)	**1,736,825**

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 17 form an integral part of these special purpose financial statements.

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

For and on behalf of the Board of Directors of Network i2i (UK) Limited

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

Sd/-
Srikanth Balachandran
Director
Place: London, UK

Sd/-
Jantina Catharina Van De Vreede
Director
Place: Amsterdam, Netherlands

Date: August 6, 2021

1 Corporate Information

Network i2i (UK) Limited ('the Company') is domiciled and incorporated on May 19, 2020 in United Kingdom under the UK Companies Act 2006 as a private limited company. The registered office of the Company is located at Second Floor, 53/54 Grosvenor Street, London, United Kingdom, W1K3HU.

The principal activity of the Company is to provide management consultancy activities (other than financial management).

The Company's immediate parent company is Network i2i Limited, a private limited company incorporated in Mauritius.

2 Summary of significant accounting policies

2.1 Basis of preparation

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

These are the first financial statements of the Company and accordingly, the year ended March 31, 2021 is from May 19, 2020 (date of incorporation) to March 31, 2021 ('year ended March 31, 2021') and comparative period information is not applicable.

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

The financial statements are approved for issue by the Company's Board of Directors on August 6, 2021.

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

The financial statements are presented in Great Britain Pound ('GBP') which is the functional and presentation currency of the Company. Therefore, all the amounts included in financial statements are reported in 'GBP', unless stated otherwise.

The translation of GBP to Rupee amounts presented in Balance Sheet and Statement of Profit and Loss is unaudited and is included solely for readers in India and has been calculated using the exchange rate of GBP 1= Rs. 100.68, the RBI reference rate as announced by the Reserve Bank of India (RBI) on March 31, 2021. Such translations should not be constructed as representations that the Rupee amounts represent, or have been or could be converted into GBP at that or any other rate.

New amendments adopted during the year

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

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

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

Amendments to Schedule III Division II

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

Amendments to Standards issued but not effective

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

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

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

2.2 Basis of measurement

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

Fair value measurement

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

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The three levels of the fair-value-hierarchy are described below:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets
Level 2: Significant inputs to the fair value measurement are directly or indirectly observable
Level 3: Significant inputs to the fair value measurement are unobservable.

2.3 Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

2.4 Financial instruments

I. Recognition, classification and presentation

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

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

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

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

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

II. Measurement – Non-derivative financial instruments

1. Initial measurement

At initial recognition, the Company measures the non-derivative financial instruments at its fair value plus, in the case of financial instruments not at fair value through profit or loss, transaction costs. Otherwise, transaction costs are expensed in the income statement.

2. Subsequent measurement - financial assets

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

a) Financial assets measured at amortised cost

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

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

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

c) Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, 12 month, expected credit loss (ECL) is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

3. Subsequent measurement - financial liabilities

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

III. Derecognition

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

2.5 Functional and foreign currency transactions

Functional currency

The financial statements are presented in Great Britain Pound ('GBP') which is the functional and presentation currency of the Company.

Transactions and balances

Transactions in foreign currencies are initially recorded in the relevant functional currency at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the statement of profit and loss. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical cost.

2.6 Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to the customer at the consideration which the Company has received or expects to receive in exchange of those products or services, net of any taxes / duties, discounts and process waivers. When determining the consideration to which the Company is entitled for providing promised products or services via intermediaries, the Company assesses whether it is primarily responsible for fulfilling the performance obligation and whether it controls the promised service before transfer to customers. To the extent that the intermediary is considered a principal, the consideration to which the Company is entitled is determined to be that received from the intermediary.

Revenue is recognised upon transfer of control of promised products or services to the customer at the consideration which the Company has received or expects to receive in exchange of those products or services, net of any taxes / duties, discounts and process waivers. Revenue is recognised when, or as, each distinct performance obligation is satisfied.

I. Service revenue

The Company earns revenue from providing consultancy services. Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenues in excess of invoicing are classified as unbilled revenue while invoicing / collection in excess of revenue are classified as deferred revenue.

II. Interest income

The Interest income is recognised using the EIR method. For further details, refer to note 2.4.

2.7 Taxes

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

I. Current tax

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

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

The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation. The Company considers whether it is probable that a taxation authority will accept an uncertain tax treatment. If the Company concludes it is probable that the taxation authority will accept an uncertain tax treatment, it determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If the Company concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates.

II. Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax is not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The Company considers the projected future taxable income and tax planning strategies in making this assessment.

The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the asset is realised or the liability is settled.

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

2.8 Employee benefits

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

2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the said obligation, and the amounts of the said obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation (if the impact of discounting is significant), using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to un-winding of interest over passage of time is recognised within finance costs.

2.10 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).

2.11 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.

2.12 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS data.

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

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

3 Cash and cash equivalents

	As of March 31, 2021
Balance with banks	
- on current accounts	1,736,825
	1,736,825

4 Equity Share capital

	As of March 31, 2021
Authorised shares	
2,000 equity shares	
(2,000 equity shares of USD 1 each amounting to GBP 1,523)	**1,523**
Issued, Subscribed and fully paid-up shares	
2,000 equity shares	
(2,000 equity shares of USD 1 each amounting to GBP 1,523)	1,523
	1,523

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

Particulars	As of March 31, 2021	
	No. of shares	GBP
At the date of incorporation	-	-
Additions during the year	2,000	1,523
Outstanding at the end of the year	**2,000**	**1,523**

b) Terms/ rights attached to equity shares

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

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

	As of March 31, 2021	
	No. of shares	% holding
Equity shares of USD 1 each fully paid up		
Network i2i Limited	2,000	100%

5 Reserve and Surplus

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

6 Other current liabilities

	As of March 31, 2021
Advance from customers	696,017
Dues to employees	864,034
Others	12,880
	1,572,931

7 Revenue from operations

	For the year ended March 31, 2021
Service Revenue	2,056,616
	2,056,616

Disaggregation of Revenue

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

	For the year ended March 31, 2021
Services transferred over time	2,056,616
	2,056,616

	For the year ended March 31, 2021
Management consultancy services	2,056,616
	2,056,616

8 Employee benefits expense

	For the year ended March 31, 2021
Director remuneration	1,600,000
Social security costs	219,727
	1,819,727

9 Other expenses

	For the year ended March 31, 2021
Consultancy Charges*	13,029
	13,029

*Details of Auditor's remuneration (excluding Goods and Service Tax) included in consultancy charges:

	For the year ended March 31, 2021
Audit fees	10,000
	10,000

10 Finance costs

	For the year ended March 31, 2021
Bank charges	81
Net exchange loss	59,781
	59,862

11 Tax expense

	For the year ended March 31, 2021
Analysis of tax charge in the year	
Current tax	
UK corporation tax charge on profit for the year	31,172
Deferred tax	
Origination and reversal of timing differences	-
Total Deferred tax	-
Tax on profit from ordinary activities	**31,172**
Reconciliation of tax expenses	
Profit before tax	164,065
Tax at effective rate of 19%	31,172
Adjustments:	
Adjustments in respect of prior periods	-
Income tax expenses recognised in income statement	**31,172**

12 Financial and capital risk

The business activities of the Company expose it to a variety of financial risks, namely credit risk and liquidity risk. The overall risk management seeks to minimize potential adverse effects of these risks on the financial performance of the Company. The Company has established risk management policies, guidelines and control procedures to manage its exposure to financial risks.

(i) Credit risk:

Credit risk refers to the risk of default on its obligation by the counter-party, the risk of deterioration of credit-worthiness of the counter-party as well as concentration risks of financial assets, and thereby exposing the Company to potential financial losses.
The Company's customer is a related party, accordingly, the Company is not exposed to any credit risk. The trade receivables of the Company are typically non-interest bearing un-secured and derived from sales made to parent entity. Revenue earned from the related parties is disclosed in Note 7. The credit period provided by the Company to its customer (parent entity), generally ranges between 0-90 days.

The Company performs on-going credit evaluations of its customers' financial condition and monitors the credit-worthiness of its customers to which it grants credit in the ordinary course of business.

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

(ii) Liquidity risk:

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

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

(iii) Capital Management:

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

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

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

13 Fair value of financial assets and liabilities

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

	Carrying Value as of March 31, 2021	Fair Value as of March 31, 2021
Financial Assets		
Amortised cost		
Cash and cash equivalents	1,736,825	1,736,825
	1,736,825	**1,736,825**

14 Related party disclosures

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

Parent Company
Network i2i Limited

Intermediate 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.

The details of balances as of March 31, 2021 of related party and related party transactions entered into by the Company for the year ended March 31, 2021 are as follows:

	Network i2i Limited GBP
As of March 31, 2021	
Balances Payable	
Advance from customers (Refer note 6)	696,017
For the year ended March 31, 2021	
Transactions	
Service revenue (Refer note 7)	2,056,616

15 Earnings per share ('EPS')

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

	For the year ended March 31, 2021
Profit attributable to equity shareholders as per statement of profit and loss (A)	132,893
Weighted average number of equity shares for calculation of basic earning per share (B)	2,000
Weighted average number of equity shares for calculation of diluted earning per share (C)	2,000
Equity share of face value USD 1 per share	
Basic (A / B)	**66.45**
Diluted (A / C)	**66.45**

16 Segment Reporting

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

17 COVID 19

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

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

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

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.