

**BHARTI AIRTEL CHAD HOLDINGS B.V.  
AT AMSTERDAM**

Annual Report 2018/2019

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To the shareholders of  
Bharti Airtel Chad Holdings B.V. (the "Company")  
Overschiestraat 65  
1062 XD Amsterdam

Dear shareholders,

Please find attached the financial statements for the year starting on April 1, 2018 and ending on March 31, 2019 of the Company (hereinafter referred to as the "Year 2018/2019").

We have prepared the annual accounts of the Year 2018/2019 of the Company in accordance with Part 9 of Book 2 of the Dutch Civil Code. The financial statements comprise the Balance Sheet as at March 31, 2019 and the Profit and Loss Account for the Year 2018/2019 with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

The activities of the Company consist of providing holding and finance services. On March 31, 2019 the board of directors is formed by;

- J.C. Uneken- van de Vreede
- D. Van Kootwijk
- J. Paul

The Balance Sheet is showing a total amount of USD 217,810,892 and the Profit and Loss Account is showing a positive post-tax result of USD 5,619,608. The profit for the year 2018/2019 amounts to USD 5,619,608 compared with a loss for the year 2017/2018 of USD 5,269,522.

For purposes of corporate income tax, the Company forms a fiscal unity with Bharti Airtel International (Netherlands) B.V. The corporate income tax of the subsidiaries of the Company is reported in the accounts of Bharti Airtel International (Netherlands) B.V. The withholding taxes paid by the subsidiaries of the Company are reported in the accounts of the subsidiaries. The withholding taxes are recognized in the Profit and Loss Account as general expenses. We will gladly provide further explanations upon request.

Sincerely yours,



J.C. Uneken - van de Vreede  
On behalf of the management board of the Company

**FINANCIAL STATEMENTS**

Financial statements 2018/2019

**I. BALANCE SHEET AS AT MARCH 31, 2019**

(Before appropriation of results)

	Notes	March 31, 2019		March 31, 2018	
		US\$*1,000	US\$*1,000	US\$*1,000	US\$*1,000
<b>ASSETS</b>					
<b>Fixed assets</b>					
<b>Financial fixed assets</b>					
Participations in group companies	(1)		55,300		55,300
<b>Current assets</b>					
<b>Receivables</b>					
Receivables from group companies	(2) (a)	154,516		154,394	
Other receivables	(b)	<u>7,994</u>		<u>7,994</u>	
			162,510		162,388
<b>Cash and cash equivalents</b>	(3)		0		0
			<u>217,810</u>		<u>217,688</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholder's equity</b>					
Issued and paid-up share capital	(4)	20		22	
Other reserves		9,109		14,377	
Unappropriated results		<u>5,620</u>		<u>(5,270)</u>	
			14,749		9,129
<b>Long-term debts</b>					
Payable to group companies	(5)		-		208,559
<b>Current liabilities</b>					
Payable to group companies	(6)		203,061		-
			<u>217,810</u>		<u>217,688</u>

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**II. PROFIT & LOSS ACCOUNT 2018/2019**


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	Notes	2018/2019 US\$*1,000	2017/2018 US\$*1,000
<b>Finance income and expenses</b>	(7)		
Interest income from group companies	(a)	-	1,922
Interest expense and similar charges	(b)	5,620	(7,192)
<b>Financial income and expenses</b>		5,620	(5,270)
<b>Result from operations before taxation</b>		5,620	(5,270)
Taxation on result from operations		-	-
<b>Result from after taxation</b>		5,620	(5,270)

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**III. NOTES TO THE COMPANY ACCOUNTS****GENERAL****Activities**

The activities of the Company consist of providing holding and finance services. The Company has its registered office at Overschiestraat 65, 1062 XD Amsterdam, Netherlands.

**Group structure**

The Company forms part of the Bharti Airtel Group of companies. Immediate parent Company is Bharti Airtel Africa B.V. and the step up parent Companies are;

- Airtel Africa Limited, United Kingdom
- Bharti Airtel Limited, India.

**Consolidation**

In accordance with article 2:407 part 2A of the Dutch Civil Code no consolidated financial statements have been prepared. The Company also avails itself of the facility of article 408, Book 2 of the Dutch Civil Code. The annual accounts of the Company and its subsidiaries are consolidated into the annual accounts of Bharti Airtel Limited, India. Copies of the consolidated accounts are available at the Trade Register of the Chamber of Commerce in Amsterdam. The consolidated accounts will be filed together with the financial statements of the Company.

**LIST OF PARTICIPATING INTERESTS**

The Company has the following capital interests which have not been valued at net capital value:

Name, statutory registered office	Share in issued capital
	%
Airtel Tchad S.A. N'Djamena, Chad	100.00

**GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE ANNUAL ACCOUNTS**

The financial statements have been prepared in accordance with the general provisions of Title 9, Book 2 of the Dutch Civil Code. As allowed in art.2:396 paragraph 6 of the Dutch Civil Code, the valuation of the assets and liabilities and the determination of the result is based on the principles for determination of the taxable profit, as meant in chapter II of the Corporate Income Tax Act 1969. The annual report and financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in US Dollars. These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Company.

**Financial instruments**

Financial instruments are both primary financial instruments, such as receivables and payables, and financial derivatives. For the principles of primary financial instruments, reference is made to the treatment per Balance Sheet item.

The Company does not use derivatives.

**Translation of foreign currency**

The financial statements are presented in US dollar, which is the Company's functional and presentation currency, this based on the currency in which its main transactions are concluded.

Transactions in foreign currencies (transactions not in the functional currency of the transaction entity) are translated at the foreign exchange rate at transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate prevailing at the Balance Sheet date. All differences are taken to the income statement. Share capital, which is denominated in Euro, is translated at the exchange rate prevailing at the Balance Sheet date; differences are taken to the Other reserves within shareholder's equity.

**Staff members**

During the Year 2018/2019 the Company had no employees, and hence incurred no wages, salaries or related social security charges, nor during the previous period.

**PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES****Impairment**

At each Balance Sheet date, the Company tests whether there are any indications of assets being subject to impairment. If any such indications exist, the recoverable amount of the asset is determined. If this proves to be impossible, the recoverable amount of the cash generating unit to which the asset belongs is identified. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

**Financial fixed assets**

Due to the international structure of the group and the use of the consolidation exemption of Article 408, Book 2 of the Dutch Civil Code, participations are recognised at cost. If an asset qualifies as impaired, it is measured at its impaired value; any write offs are disclosed in the income statement.

Receivables are valued at nominal value, unless disclosed differently. The receivables of group companies are included in financial fixed assets, except for maturities less than 12 months after Balance Sheet date. They are then included in the current assets.

**Current Assets and accrued income**

Receivables are valued at nominal value. Any provisions for the risk of doubtful debts are deducted. These provisions are determined based on individual assessment of the receivables.



**Banks**

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account in the valuation.

**Non-current liabilities**

Liabilities are valued at nominal value, unless determined differently.

**Long-term debts**

Borrowings are valued at nominal value. Payables to group companies are included in long-term debts, except for maturities less than 12 months after Balance Sheet date. They are included in the current liabilities.

**PRINCIPLES FOR THE DETERMINATION OF THE RESULT****Principles for determination of the result**

Profit or loss is determined as the difference between the realizable value of services rendered, and the costs and other charges for the year. Revenues on transactions are recognized in the year in which they are realized.

**Other costs**

Other costs are recognized based on the historical cost convention and are allocated to the reporting year to which they relate.

**Financial income and expenses**

Financial income and expenses comprises of interest income and expense of loans for the current reporting period.

**Taxes**

The Company forms a fiscal unity with Bharti Airtel International (Netherlands) B.V. A consolidated tax return is filed in which Bharti Airtel International (Netherlands) B.V. accounts for the Dutch tax implications of the group.

**IV. NOTES TO THE SPECIFIC ITEMS OF THE BALANCE SHEET AS PER MARCH 31, 2019****ASSETS****1 . Financial fixed assets**

	<u>March 31, 2019</u> US\$*1,000	<u>March 31, 2018</u> US\$*1,000
Participations in group companies	55,300	55,300
	<u>55,300</u>	<u>55,300</u>

	<u>March 31, 2019</u> US\$*1,000	<u>March 31, 2018</u> US\$*1,000
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**Participations in group companies**

Airtel Tchad S.A. at N'Djamena, Chad	55,300	55,300
	<u>55,300</u>	<u>55,300</u>

**Current assets****2. Receivables**

	<u>March 31, 2019</u> US\$*1,000	<u>March 31, 2018</u> US\$*1,000
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**(a) Receivables from Group Companies**

Airtel Tchad S.A. at N'Djamena, Chad	154,516	154,394
	<u>154,516</u>	<u>154,394</u>

The loan is interest free with final maturity on 31 December 2021. Any outstanding principal loan amount and accrued interest thereon will be payable in full upon request of the lender by giving a notice to the borrower of 3 (three) months in advance.

	<u>March 31, 2019</u> US\$*1,000	<u>March 31, 2018</u> US\$*1,000
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**(b) Other receivables**

Withholding Tax	7,994	7,994
	<u>7,994</u>	<u>7,994</u>

**3. Cash and cash equivalents**

	<u>March 31, 2019</u> US\$*1,000	<u>March 31, 2018</u> US\$*1,000
Cash at Bank	0	0
	<u>0</u>	<u>0</u>

Cash balances are free for disposal by the Company.

**EQUITY AND LIABILITIES****4. Shareholder's Equity**

	March 31, 2019 US\$*1,000	March 31, 2018 US\$*1,000
<b>Issued and paid-up share capital</b>		
18,152 Ordinary shares of EUR 1.00	20	22
	<u>20</u>	<u>22</u>

The statutory share capital amounts to Euro 90,760. The Company's Euro denominated share capital is translated into USD at an exchange rate of Euro 1.123 as at 31 March 2019 (31 March 2018: Euro 1.230). Translation differences are recorded in Other reserves.

	March 31, 2019 US\$*1,000	March 31, 2018 US\$*1,000
<b>Other reserves</b>		
Balance as of April 1	14,380	4,955
Allocation of previous financial year net result	(5,270)	9,425
	<u>9,110</u>	<u>14,380</u>
Foreign currency changes on share capital	(1)	(3)
Balance as of March 31	<u>9,109</u>	<u>14,377</u>

**Unappropriated results**

	March 31, 2019 US\$*1,000	March 31, 2018 US\$*1,000
Balance as of April 1	(5,270)	9,425
Unappropriated results	5,620	(5,270)
	<u>350</u>	<u>4,155</u>
Appropriation of result previous year	5,270	(9,425)
Balance as of March 31	<u>5,620</u>	<u>(5,270)</u>

**5. Long-term debts****Payable to shareholder**

	March 31, 2019 US\$*1,000	March 31, 2018 US\$*1,000
Bharti Airtel Africa B.V.	-	208,559
Balance as of March 31	<u>-</u>	<u>208,559</u>

**6. Current Liabilities**

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
	US\$*1,000	US\$*1,000
<b>Payables to group companies</b>		
Bharti Airtel Africa B.V.	203,061	-
	<u>203,061</u>	<u>-</u>

The loan is interest free with final maturity on 31 December 2021. Any outstanding principal loan amount and accrued interest thereon will be payable in full upon request of the lender by giving a notice to the borrower of 3 (three) months in advance.

**ASSETS AND COMMITMENTS NOT SHOWN IN THE BALANCE SHEET****Contingent liabilities***Tax-group liability*

The Company forms a fiscal unity for corporate income tax purposes with Bharti Airtel International (Netherlands) B.V. as of 8 June, 2010. Under the Tax Collection Act, the Company is jointly and severally liable for the taxes payable by the group.

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**V. NOTES TO THE SPECIFIC ITEMS OF THE PROFIT & LOSS ACCOUNT 2018/2019**
**7. Finance income and expenses****(a) Interest and other income from group companies**

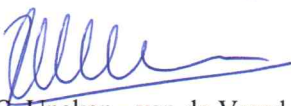
	<u>2018/2019</u> US\$*1,000	<u>2017/2018</u> US\$*1,000
Interest income on loans to Airtel Tchad S.A.	-	1,922
	<u>-</u>	<u>1,922</u>

**(b) Interest expense and similar charges**

	<u>2018/2019</u> US\$*1,000	<u>2017/2018</u> US\$*1,000
Interest expenses on loan from Bharti Airtel Africa B.V. *	5,620	(7,192)
	<u>5,620</u>	<u>(7,192)</u>

\* USD 5.6 Million in FY 2018/19 is reversal of interest expense charged on loan taken from Bharti Airtel Africa B.V. for the period 01<sup>st</sup> July, 2017 to 31<sup>st</sup> March, 2018.

**On behalf of the management board of the Company**

  
J.C. Uneken - van de Vreede  
Director

  
D. Van Kootwijk  
Director

J. Paul  
Director

Date: 24<sup>th</sup> June 2019

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**V. NOTES TO THE SPECIFIC ITEMS OF THE PROFIT & LOSS ACCOUNT 2018/2019**
**7. Finance income and expenses****(a) Interest and other income from group companies**

	<u>2018/2019</u> US\$*1,000	<u>2017/2018</u> US\$*1,000
Interest income on loans to Airtel Tchad S.A.	-	1,922
	<u>-</u>	<u>1,922</u>

**(b) Interest expense and similar charges**

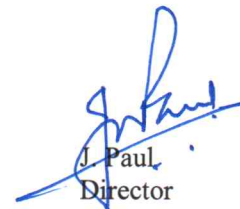
	<u>2018/2019</u> US\$*1,000	<u>2017/2018</u> US\$*1,000
Interest expenses on loan from Bharti Airtel Africa B.V. *	5,620	(7,192)
	<u>5,620</u>	<u>(7,192)</u>

\* USD 5.6 Million in FY 2018/19 is reversal of interest expense charged on loan taken from Bharti Airtel Africa B.V. for the period 01<sup>st</sup> July, 2017 to 31<sup>st</sup> March, 2018.

**On behalf of the management board of the Company**

J.C. Uneken - van de Vreede  
Director

D. Van Kootwijk  
Director



J. Paul  
Director

Date: 24<sup>th</sup> June 2019

**OTHER INFORMATION**

## **OTHER INFORMATION**

### **1 Notification regarding the absence of an audit report**

The Company is exempt from audit requirement because it is within the limits set in Article 2: 396 paragraph 1 of the Dutch Civil Code. Therefore the annual accounts do not include an audit report.

### **2 Statutory appropriation of profit**

According to the Company's Articles of Association, article 22, the annual meeting of shareholders determines the appropriation of the Company's net result for the year.

### **3 Appropriation of the result for the 2017/2018 financial year**

The annual accounts for 2017/2018 were adopted by the General Meeting held on July 12, 2018. The General Meeting has determined the appropriation of the result as it was proposed.

### **4 Proposed appropriation of result for the financial year 2018/2019**

The management board proposes to add the loss for 2018/2019 of USD 5,619,608 to the Other reserves. The financial statements do (not yet) reflect this proposal.

### **5 Post Balance Sheet event**

There is no post Balance Sheet event to report.