BHARTI AIRTEL INTERNATIONAL (NETHERLANDS) B.V.

Special Purpose Standalone Financial Statements for the year ended March 31, 2019

Bharti Airtel International (Netherlands) B.V.

Ind AS Standalone Financial Statements – March 2019

Contents **Page No.**

Independent Auditor's Report

Deloitte Haskins & Sells LLP

Chartered Accountants
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase - II
Gurugram - 122 002
Haryana, India

Tel: +91 124 679 2000
Fax: +91 124 679 2012

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Bharti Airtel International (Netherlands) B.V.

Report on the Audit of the Special Purpose Ind AS Financial Statements

Opinion

We have audited the accompanying special purpose Ind AS financial statements of Bharti Airtel International (Netherlands) B.V. ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit of the special purpose Ind AS financial statements in accordance with the Standards on Auditing (SAs) issued by Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the special purpose Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI together with independence 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 audit opinion on the special purpose Ind AS financial statements.

Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2.1 to the special purpose Ind AS financial statements, which describes the purpose and basis of preparation. The special purpose Ind AS 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 Companies Act 2013. 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 Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these special purpose Ind AS 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 basis 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 special purpose Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose Ind AS 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 is also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the special purpose Ind AS 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 special purpose Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the special purpose Ind AS 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.

NHL

Deloitte
Haskins & Sells LLP

- 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 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 special purpose Ind AS 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.

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)

Nilesh

Nilesh H. Lahoti
Partner

(Membership No. 130054)
UDIN - 19130054AAAAHX1458

Place: Gurugram
Date: August 20, 2019

Ind AS Standalone Financial Statements

BHARTI AIRTEL INTERNATIONAL (NETHERLANDS) B.V.
Standalone Balance Sheet
(All amounts are in USD thousand, unless stated otherwise)

airtel

Particulars	Notes	As at March 31, 2019 (Unaudited) (In INR '000)	As at March 31, 2019 (Audited)	As at March 31, 2018 (Audited)
Assets				
Non-current assets				
Property, plant and equipment	5	122,224	1,767	2,027
Intangible assets	6	-	-	-
Investment in subsidiaries	7	124,406,875	1,798,827	1,798,827
Financial assets				
- Investments	8	-	-	48,253
- Derivative financial instruments	9	3,101,411	44,844	29,897
- Loans and security deposits	10	261,977,181	3,787,987	4,015,253
		389,607,691	**5,633,425**	**5,894,257**
Current assets				
Financial assets				
- Derivative financial instruments	9	355,552	5,141	129,156
- Trade receivables	11	8,953,869	129,466	155,110
- Cash and cash equivalents	12	52,198,510	754,750	148,581
- Loans	13	-	-	60,111
- Other financial assets	14	129,675	1,875	2,765
Other current assets	15	31,468	455	796
		61,669,074	**891,687**	**496,519**
Total assets		**451,276,765**	**6,525,112**	**6,390,776**
Equity and liabilities				
Equity				
Equity share capital	16	163,178,801	2,359,439	2,359,439
Other equity		85,348,005	1,234,066	(2,287,608)
Total equity		**248,526,806**	**3,593,505**	**71,831**
Non-current liabilities				
Financial liabilities				
- Borrowings	17	159,658,142	2,308,533	3,700,810
- Derivative financial instruments	9	483,843	6,996	80,525
- Provisions	18	5,025	73	-
- Other financial liabilities	19	26,004	376	512
Other non-current liabilities	20	10,196,816	147,438	149,028
		170,369,830	**2,463,416**	**3,930,875**
Current liabilities				
Financial liabilities				
- Borrowings	17	75,384	1,090	977,906
- Current maturities of long-term borrowings	17	24,256,763	350,734	1,228,769
- Derivative financial instruments	9	1,851,966	26,778	731
- Trade payables	21	2,416,914	34,946	34,829
- Provisions	18	35,886	519	850
- Other financial liabilities	22	3,587,606	51,874	133,112
Other current liabilities	23	155,610	2,250	11,873
		32,380,129	**468,191**	**2,388,070**
Total liabilities		**202,749,959**	**2,931,607**	**6,318,945**
Total Equity and liabilities		**451,276,765**	**6,525,112**	**6,390,776**

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm Registration No: 117366W / W-100018

Nilesh H. Lahoti
Partner
Membership No: 130054

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Place:

For and on behalf of the Management Board of Bharti Airtel International (Netherlands) B.V.

J.C Uneken – Van De Vreede
Director

D. van Kootwijk
Director

R. V. Mandava
Director

Date: 20/08/2019

BHARTI AIRTEL INTERNATIONAL (NETHERLANDS) B.V.
Standalone Statement of Profit and Loss

airtel

(All amounts are in USD thousand, except per share data)

Particulars	Notes	For the year ended March 31, 2019 (Unaudited) (In INR '000)	For the year ended March 31, 2019 (Audited)	For the year ended March 31, 2018 (Audited)
Income				
Revenue from operations	25	2,978,375	43,065	37,849
Other income	26	-	-	3,496
		2,978,375	**43,065**	**41,345**
Expenses				
Employee benefits expense	27	2,852,504	41,245	32,680
Sales and marketing expenses	28	497,537	7,194	2,628
Other expenses	29	2,113,045	30,553	12,498
		5,463,086	**78,992**	**47,806**
Loss from operating activities before depreciation, amortisation and exceptional items		**(2,484,711)**	**(35,927)**	**(6,461)**
Depreciation and amortisation	30	90,115	1,303	1,193
Finance costs	31	14,971,273	216,473	539,179
Finance income	31	(22,612,069)	(326,953)	(241,930)
Non-operating income	32	-	-	(7,973)
Profit / (loss) before exceptional items and tax		**5,065,970**	**73,250**	**(296,930)**
Exceptional items	33	(234,519)	(3,391)	-
Profit / (loss) before tax		**4,831,451**	**69,859**	**(296,930)**
Tax expense				
Current tax	34	525,478	7,598	10,443
Deferred tax	34	-	-	(45,903)
Profit / (loss) after tax		**4,305,973**	**62,261**	**(261,470)**
Other comprehensive income ('OCI')				
Items to be reclassified to profit or loss:				
(loss) / gain on cash flow hedge		(853,763)	(12,345)	12,395
Income tax credit		-	-	488
Other comprehensive (loss)/ income for the year		**(853,763)**	**(12,345)**	**12,883**
Total comprehensive income/(loss) for the year		**3,452,210**	**49,916**	**(248,587)**
Earnings per share (Face value : EUR 1 each)	38			
Basic and Diluted				
Ordinary shares "A"		1.00	0.01	(0.07)
Ordinary shares "B"		2.00	0.03	(0.15)

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm Registration No: 117366W / W-100018

Nilesh H. Lahoti
Partner
Membership No: 130054

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Place:

For and on behalf of the Management Board of Bharti Airtel International (Netherlands) B.V.

J.C Uneken – Van De Vreede
Director

D. van Kootwijk
Director

R. V. Mandava
Director

Date: 20/08/2019

BHARTI AIRTEL INTERNATIONAL (NETHERLANDS) B.V.
Standalone Statement of Changes in Equity
(All amounts are in USD thousand, unless stated otherwise)

Particulars	Share capital		Other equity				Total equity
	No of shares (in '000)	Amount	Share premium	Retained earnings/ (Accumulated deficit)	Cash Flow Hedge Reserve (CFHR)	Total	
As at March 31, 2017	1,781,249	2,359,439	2,551,378	(4,591,862)	1,463	(2,039,021)	320,418
Loss for the year	-	-	-	(261,470)	-	(261,470)	(261,470)
Other comprehensive income	-	-	-	-	12,883	12,883	12,883
Total comprehensive loss	-	-	-	(261,470)	12,883	(248,587)	(248,587)
Transaction with owners of equity							
Addition in share premium	-	-	-	-	-	-	-
As at March 31, 2018	1,781,249	2,359,439	2,551,378	(4,853,332)	14,346	(2,287,608)	71,831
Profit for the year	-	-	-	62,261	-	62,261	62,261
Other comprehensive loss	-	-	-	-	(12,345)	(12,345)	(12,345)
Total comprehensive income	-	-	-	62,261	(12,345)	49,916	49,916
Transaction with owners of equity							
Addition in share premium (Refer note 39)	-	-	3,471,758	-	-	3,471,758	3,471,758
As at March 31, 2019	1,781,249	2,359,439	6,023,136	(4,791,071)	2,001	1,234,066	3,593,505

The accompanying notes form an integral part of these standalone financial statements.
As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm Registration No: 117366W / W-100018

Nilesh H. Lahoti
Partner
Membership No: 130054

Place:

For and on behalf of the Management Board of Bharti Airtel International (Netherlands) B.V.

J.C Uneken – Van De Vreede
Director

D. van Kootwijk
Director

R.V. Mandava
Director

Date: 20/08/2019

BHARTI AIRTEL INTERNATIONAL (NETHERLANDS) B.V.
Standalone Statement of Cash Flow
(All amounts are in USD thousand, unless stated otherwise)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2019	For the year ended March 31, 2018
	(Unaudited)	(Audited)	(Audited)
	(In INR '000)		
Cash flows from operating activities			
Profit / (loss) before tax	**4,831,451**	**69,859**	**(296,930)**
Adjustments for:			
Depreciation and amortisation	90,115	1,303	1,193
Finance costs	14,971,273	216,473	539,179
Finance income	(22,612,069)	(326,953)	(241,930)
Exceptional items	234,519	3,391	-
Non operating expense	-	-	(7,973)
Other non cash items	(17,501)	(253)	(3,379)
Operating cash flow before changes in working capital	**(2,502,212)**	**(36,180)**	**(9,840)**
Changes in working capital			
Trade receivables	1,773,539	25,644	(962)
Trade payables	8,092	117	(1,302)
Other financial liabilities	(3,784,721)	(54,724)	70,859
Other financial assets	61,552	890	7,126
Other current assets	23,584	341	11,790
Other current liabilities	(665,527)	(9,623)	1,518
Other non-current liabilities	(109,992)	(1,590)	-
Net cash (used in)/from operations before tax	**(5,195,685)**	**(75,125)**	**79,189**
Income tax paid	(440,798)	(6,374)	-
Net cash generated (used in)/from operating activities (a)	**(5,636,483)**	**(81,499)**	**79,189**
Cash flows from investing activities			
Purchase of property, plant and equipment	(69,140)	(1,000)	(461)
Interest received on fixed deposits	936,710	13,543	-
Loans and advances	4,157,244	60,111	113,552
Investment	-	-	-
Advances given to subsidiaries	(13,975,241)	(202,071)	(193,805)
Loan repayment by subsidiaries	30,517,426	441,258	626,829
Net cash generated from investing activities (b)	**21,566,999**	**311,841**	**546,115**
Cash flows from financing activities			
Proceeds from share premium	240,106,750	3,471,758	-
Repayment of borrowings	(146,560,129)	(2,119,146)	(518,205)
Finance cost	(13,928,641)	(201,397)	(172,628)
Loan taken from Related Parties	29,012,620	419,500	663,683
Repayment of loan to Related Parties	(82,713,856)	(1,195,978)	(369,668)
Net cash from/(used in) financing activities (c)	**25,916,744**	**374,737**	**(396,818)**
Net increase in cash and cash equivalents during the year (a+b+c)	**41,847,260**	**605,079**	**228,486**
Add : Cash and cash equivalents as at the beginning of the year	10,275,862	148,581	(79,905)
Cash and cash equivalents as at the end of the year (Refer note 12)	**52,123,122**	**753,660**	**148,581**

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm Registration No: 117366W / W-100018

For and on behalf of the Management Board of Bharti Airtel International (Netherlands) B.V.

Nilesh H. Lahoti
Partner
Membership No: 130054

DELOITTE HASKINS & SELLS LLP Chartered Accountants

J.C Uneken – Van De Vreede
Director

D. van Kootwijk
Director

R. V. Mandava
Director

Place:

Date: 20/08/2019

1. Corporate information

Bharti Airtel International (Netherlands) B.V. ('the Company'), incorporated on March 19, 2010, is registered in The Netherlands and has its registered office at Overschiestraat 65, 1062 XD Amsterdam, The Netherlands. The Company also has a branch in Kenya, registered on October 7, 2010 under number CF/2010/33117.

The Company is part of the Bharti Airtel Group. During the year ended March 31, 2019, the Company's direct shareholders Network i2i Limited (a wholly-owned subsidiary of BAL) sold all their shares aggregating to 1,781,248,325 shares of EUR 1 each to Airtel Africa Plc (the Holding Company), a Company incorporated in England and Wales.

The activities of the Company mainly consist of providing investing and financing services, including management services to its subsidiaries.

2. Summary of significant accounting policies

2.1 Basis of preparation

These special purpose Ind AS financial statements ('financial statements') have been prepared to comply in all material respects with the Indian Accounting Standard ('Ind AS') notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs ('MCA'), except additional disclosures required by the Companies Act 2013 (as this financial statement is not statutory financial statement, full compliance with the above act is not required). The special purpose financial statements have been prepared solely to assist Bharti Airtel Limited (the step-up holding company) – for its consolidation purpose and to comply to with requirements under the Companies Act, 2013.

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Company's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in Note 3.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II 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.

The statutory audit of financial statements of the Company as per Dutch Civil Code is in progress and accordingly these special purpose financial statements have been prepared by the management for the use by the management to comply with requirements under Section 136 (1) of Companies Act 2013 and annual performance report with the Regulatory authorities in India. These financial statements are not statutory financial statements under Dutch Civil Code.

The Company's financial statements are presented in United States Dollars (USD). The translation of USD to Indian Rupee amounts is unaudited and is included solely for readers in India and has been calculated using the rate of USD 1 = INR 69.16. Such translations should not be construed as representations that the Rupee amounts represent, or have been or could be converted into, United States Dollars at that or any other rate. Amounts less than USD 1 thousand has been shown as "0".

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

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 principal variations from the historical cost convention relate to financial instruments classified as fair value through profit or loss, liability for cash-settled awards (refer Note 2.13), the component of carrying values of recognised liabilities that are designated in fair value hedges (refer Note 2.8 d) - which are measured at fair value.

Fair value measurement

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

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

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

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets

Level 2: Significant inputs to the fair value measurement are directly or indirectly observable

Level 3: Significant inputs to the fair value measurement are unobservable

2.3 Foreign currency transactions

a) Functional and presentation currency

The financial statements are presented in USD which is the functional and presentation currency of the Company.

b) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the rates 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 within finance costs / finance income. 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.

2.4 Current versus non-current classification

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

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 or 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.

The derivatives in hedging relationship are classified based on the hedged item.

2.5 Property, plant and equipment ('PPE')

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use. In case of multiple element contracts whereby the vendor supplies PPE as well as other components, PPE is recorded on the basis of relative fair values.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of property, plant and equipment are required to be replaced in regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. Further, in case the replaced part was not being depreciated separately, the cost of the replacement is used as an indication to determine the cost of the replaced part at the time it was acquired.

The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. The Company has established the estimated range of useful lives of different categories of PPE as follows:

	Years
Computers	3
Office Equipment	5
Furniture and Fixtures	5
Vehicles	5
Leasehold improvements	10

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at least as at each reporting date so as to ensure that the method and period of depreciation are consistent

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted prospectively, and accordingly the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are de-recognised from the balance sheet and the resulting gains / losses are included in the statement of profit and loss within other expenses / other income.

2.6 Intangible assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be measured reliably.

The intangible assets are initially recognised at cost. These assets having finite useful life are carried at cost less accumulated amortisation and accumulated impairment losses (if any). Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

Intangible assets comprise of license for co-branded mobile browser and e-mail client & application software for phones and are amortized over a period of 2 to 3 years.

2.7 Impairment of Property, plant and equipment and Intangible assets

PPE and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the cash-generating-unit ('CGU') level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro rata basis. Impairment losses, if any, are recognised in statement of profit and loss.

Reversal of impairment losses

Impairment losses are reversed and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset in previous years.

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

The Company classifies its financial assets in the following categories: a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and b)

DELOITTE HASKINS & SELLS LLP Chartered Accountants

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 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 - Non-derivative financial instruments

I. Initial measurement

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

II. Subsequent measurement - financial assets

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

i. Financial assets measured at amortised cost

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

ii. Financial assets at fair value through other comprehensive income ('FVTOCI')

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 and debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flow represent solely payment of principal and interest, are measured at FVTOCI.

The changes in fair value are taken through OCI, except for the impairment (on debt), interest (basis EIR method), dividend and foreign exchange differences which are recognised in the statement of profit and loss.

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.

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

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

Deloitte Haskins & Sells LLP Chartered Accountants

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 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 recognized from initial recognition of the receivables.

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) Measurement - derivative financial instruments

Derivative financial instruments that are not designated as hedging instruments in a hedging relationship are classified as financial instruments at fair value through profit or loss. Such derivative financial instruments are initially recognised at fair value. They are subsequently re-measured at their fair value, with changes in fair value being recognised in the statement of profit and loss within finance income / finance costs.

d) Hedging activities

I. Fair value hedge

The Company designates certain interest swaps to hedge the risk of changes in fair value of recognised borrowings attributable to the hedged interest rate risk. The effective portion of changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss within finance income / finance costs, together with any changes in the fair value of the hedged liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to profit or loss over the period to remaining maturity of the hedged item.

II. Cash flow hedge

The Company uses certain types of derivative financial instruments (viz. foreign currency forwards, options, swaps) to manage / mitigate their exposure to foreign exchange and price risk. Further, the Company designates certain derivative financial instruments (or its components) as hedging instruments for hedging the exchange rate fluctuation risk attributable to either to a recognised item or a highly probable forecast transaction ('Cash flow hedge'). The effective portion of changes in the fair value of Derivative financial instruments (or its components) that are designated and qualify as Cash flow hedges, are recognised in the Other comprehensive income and held in Cash flow hedge reserve ('CFHR') - a component of Equity. Any gains / losses relating to the ineffective portion, are recognised immediately in the statement of profit and loss within finance income / finance costs. The amounts accumulated in Equity are re-classified to the statement of profit and loss in the periods when the hedged item affects profit / loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gains / losses existing in equity at that time remains in equity and is recognised (on the basis as discussed in the above paragraph) when the forecast transaction is ultimately recognised in the statement of profit and loss. However, at any point of time, when a forecast transaction is no longer expected to occur, the cumulative gains / losses that were reported in equity is immediately transferred to the statement of profit and loss within finance income / finance costs.

Deloitte Haskins & Sells LLP Chartered Accountants

e) Derecognition

The financial liabilities are de-recognised from the balance sheet when the under-lying obligations are extinguished, discharged, lapsed, cancelled, expired or legally released. 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 difference in the carrying amount is recognised in the statement of profit and loss.

2.9 Leases

The determination of whether an arrangement is a lease is based on whether fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases where the lessor transfers substantially all the risks and rewards of ownership of the leased asset are classified as finance lease and other leases are classified as operating lease.

Operating lease receipts / payments are recognised as an income / expense on a straight-line basis over the lease term unless the lease payments increase in line with expected general inflation.

2.10 Taxes

The income tax expense comprises of current and deferred income tax. Income tax is 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, in which case the related income tax is also recognised 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 period are recognised in the balance sheet as current income tax assets / liabilities.

Any interest / penalties, 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 and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Under the fiscal unity between the Company, Bharti Airtel Africa B.V. and the Holding B.V's, corporate income tax, if any, will be raised at the level of Bharti Airtel International (Netherlands) B.V.

b) Deferred tax

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

Deferred tax assets are recognised only to the extent where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

DELOITTE HASKINS & SELLS LLP Chartered Accountants

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 related deferred income tax asset is realised or the deferred income tax 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.

2.11 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). However, for the purpose of the statement of cash flows, in addition to above items, any bank overdrafts that are integral part of the Company's cash management, are also included as a component of cash and cash equivalents.

2.12 Share capital / Share premium

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.

2.13 Employee benefits

The Company's employee benefits mainly include wages or salaries, bonuses and share-based payments. The employee benefits are recognised in the period in which the associated services are rendered by the Company employees.

a) Defined contribution plans

The Company's contributions to defined contribution schemes (as applicable) are expensed in the statement of profit and loss. All Kenya-based employees of the Company are entitled to receive benefits under the National Social Security Fund of Kenya. It is a Kenya Government Fund established by the National Security Fund Act of 1965 and fall under CAP 258 of the Kenyan Laws aimed at benefiting its members. It is a compulsory savings scheme into which the employer pays a statutory contribution for every employee who is a member. Both the employee and the employer make monthly contributions. The Company's contributions to these schemes are expensed in the Statement of Profit and Loss. The Company has no further obligations under these schemes beyond its monthly contributions.

b) Share-based payments

The Company operates cash-settled, employee share-based compensation plans, under which the Company receives services from employees as consideration for stock options towards cash settled units. The settlement price of these options is based on the share prices of the Step up parent Company "Bharti Airtel Limited". The fair value determined on the grant date of the cash settled share based options is expensed over the vesting period. At the end of the each reporting period, until the liability is settled, and at the date of settlement, the fair value of the liability is recognized, with any changes in fair value pertaining to the vested period recognised immediately in statement of profit and loss.

However, in case of cash-settled awards, the credit is recognised as a liability within other non-financial liabilities. Subsequently, at each reporting period, until the liability is settled, and at the date of settlement, liability is re-measured at fair value through statement of profit and loss.

The total amount so expensed is determined by reference to the grant date fair value of the stock options granted, which includes the impact of any market performance conditions and non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. However, the non-market performance vesting and service conditions are considered in the assumption as to the number of options that are expected to vest. The forfeitures are estimated at the time of grant and reduce the said expense ratably over the vesting period.

The expense so determined is recognised over the requisite vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. As at each reporting date, the Company revises its estimates of the number of options that are expected to vest, if required.

It recognises the impact of any revision to original estimates in the period of change. Accordingly, no expense is recognised for awards that do not ultimately vest, except for which vesting is conditional upon a market performance / non-vesting condition. These are treated as vesting irrespective of whether or not the market / non-vesting condition is satisfied, provided that service conditions and all other non-market performance are satisfied.

2.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of 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, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to un-winding of discount over passage of time is recognised within finance costs.

2.15 Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised and disclosed only where an inflow of economic benefits is probable.

2.16 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, which is generally the transaction price, net of any discounts and process waivers.

In order to determine if it is acting as a principal or as an agent, the Company assesses whether it has exposure to the significant risks and rewards associated with the rendering of services.

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

a) Management fees

Revenue on account of management fees is recognised as the services are rendered.

b) Interest income

The interest income is recognised using the EIR method. For further details, refer note 2.8.

c) Dividend income

Dividend income is recognised when the Company's right to receive the payment is established.

2.17 Borrowing costs

Borrowing costs consist of interest and other ancillary costs that the Company incurs in connection with the borrowing of funds. The borrowing costs directly attributable to the acquisition or construction of any asset that takes a substantial period of time to get ready for its intended use or sale are capitalised. All the other borrowing costs are recognised in the statement of profit and loss within finance costs of the period in which they are incurred.

2.18 Exceptional items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

2.19 Dividends Paid

Dividend to shareholders is recognised as a liability and deducted from equity, in the year in which the dividends are approved by the shareholders.

2.20 Earnings per share (EPS)

The Company presents the Basic and Diluted EPS data.

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

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

3. Critical accounting estimates, assumptions and judgments

The estimates and judgements used in the preparation of this financial statements are continuously evaluated by the Company, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions under-lying such estimates were reasonable when made, if these results

DELOITTE HASKINS & SELLS LLP Chartered Accountants

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.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority.

Deferred tax assets are recognised for the unused tax losses for which there is probability of utilisation against the taxable profit. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

4. Standards issued but not effective as at balance sheet date

The new and applicable significant standards, amendments to Standards that are issued but not yet effective until the date of authorisation for issuance of the said financial statements are discussed below. The Company has not early adopted these amendments and intends to adopt when they become effective.

Ind AS 116, 'Leases'

In March 2019, MCA has notified the Ind AS 116, Leases. It will replace the existing leases Standard, Ind AS 17 'Leases', and related interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. It intróduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lease is required to recognise a right-of-use asset representing its right to use and the underlying leased assets and a lease liability representing its obligation to make lease payments.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The Company is in the process of evaluating its impact on the financial statements.

The following pronouncements, which are potentially relevant to the Company, have been issued and are effective for annual periods beginning on or after April 1, 2019.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Company does not expect that the adoption of the said amendment will have any significant impact on the financial Statements.

Amendment to Ind AS 12 – Income taxes: The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity accordingly to where the entity originally recognised those past transactions or events whereas hitherto it was being recognised in equity.

(All amounts are in USD thousand, unless stated otherwise)

5. Property, plant and equipment ('PPE')

The following table presents the reconciliation of changes in the carrying value of Property, plant and equipment for the year ended March 31, 2019 and March 31, 2018:

Particulars	Furniture and fixtures	Vehicles	Office equipment	Computer	Leasehold improvements	Total
Cost						
As at March 31, 2017	**3,936**	**347**	**10,310**	**2,201**	**-**	**16,794**
Additions	-	-	34	427	-	461
Adjustment #	(2,173)	(238)	(972)	1,337	2,046	-
As at March 31, 2018	**1,763**	**109**	**9,372**	**3,965**	**2,046**	**17,255**
Additions	4	-	415	581	-	1,000
Adjustment #	(6)	-	(2,582)	764	-	(1,824)
As at March 31, 2019	**1,761**	**109**	**7,205**	**5,310**	**2,046**	**16,431**
Accumulated Depreciation						
As at March 31, 2017	**3,634**	**280**	**8,223**	**1,898**	**-**	**14,035**
Charge for the year	166	22	393	594	18	1,193
Adjustment #	(2,370)	(208)	(415)	1,226	1,768	-
As at March 31, 2018	**1,430**	**94**	**8,201**	**3,718**	**1,786**	**15,228**
Charge for the year	182	15	480	608	18	1,303
Adjustment #	(7)	-	(2,581)	721	-	(1,867)
As at March 31, 2019	**1,604**	**109**	**6,100**	**5,047**	**1,804**	**14,664**
Net carrying amount						
As at March 31, 2018	333	15	1,171	247	260	2,027
As at March 31, 2019	157	-	1,105	263	242	1,767

Numbers regrouped/reclassed during the year.

(This space has been intentionally left blank)

(All amounts are in USD thousand, unless stated otherwise)

6. Intangible assets

The following table presents the reconciliation of changes in the carrying value of intangible assets for the year ended March 31, 2019 and March 31, 2018:

Particulars	Software / Licenses
Cost	
As at March 31, 2017	**2,467**
Additions	-
As at March 31, 2018	**2,467**
Additions	-
As at March 31, 2019	**2,467**
Accumulated amortisation	
As at March 31, 2017	**2,467**
Charge for the year	-
As at March 31, 2018	**2,467**
Charge for the year	-
As at March 31, 2019	**2,467**
Net carrying amount	
As at March 31, 2018	-
As at March 31, 2019	-

(This space has been intentionally left blank)

DELOITTE HASKINS & SELLS LLP Chartered Accountants

(All amounts are in USD thousand, unless stated otherwise)

7. Investment in subsidiaries

Particulars	As at March 31, 2019	As at March 31, 2018
Investment in Subsidiaries		
Bharti Airtel Africa B.V.: 55,352,741 (March 31, 2018 - 55,352,741) ordinary shares of EUR 0.01 each	6,259,745	6,259,745
Africa Towers N.V.: 45,000 (March 31, 2018- 45,000) ordinary shares of EUR 1 each	62	62
Airtel Mobile Commerce B.V. : 18,000 (March 31, 2018 - 18,000) ordinary shares of EUR 1 each	22	22
Aggregate value of Investments	**6,259,829**	**6,259,829**
Less : Provision for Impairment	(4,461,002)	(4,461,002)
	1,798,827	**1,798,827**

8. Investments

Particulars	As at March 31, 2019	As at March 31, 2018
Investment at FVTPL		
Tube Incorporated (Data Mi) : 5,294,781 (March 31, 2017- 4,947,871) Series B, Preferred Stock @ 0.9208 USD each	-	4,947
Helios Towers Africa Limited : 29,629,629 Class G shares @ 1.35 USD each	-	43,306
Aggregate value of Unquoted Investments	**-**	**48,253**

During the year ended 31 March 2019, the Company transferred its investments in Tube Incorporated (Data Mi) and Helios Towers Africa Limited to Network i2i Limited for a consideration of USD 43 million and 5 million respectively.

(This space has been intentionally left blank)

Chartered Accountants

(All amounts are in USD thousand, unless stated otherwise)

9. Derivative financial instruments

Particulars	As at March 31, 2019	As at March 31, 2018
Assets		
Currency swaps, forward and option contracts	403	128,047
Interest swaps	49,582	31,006
	49,985	**159,053**
Liabilities		
Currency swaps, forward and option contracts	26,778	1,310
Interest swaps	6,996	79,946
	33,774	**81,256**
Non-current derivative financial assets	44,844	29,897
Current derivative financial assets	5,141	129,156
Non-current derivative financial liabilities	(6,996)	(80,525)
Current derivative financial liabilities	(26,778)	(731)
Net derivative financial assets	**16,211**	**77,797**

10. Loans and security deposits

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good, unless stated otherwise		
Loans to related parties ** (Refer note 39)	3,785,693	4,012,905
Security deposits *	2,294	2,348
	3,787,987	**4,015,253**

*Considering the uncertainty of recovering the amount of security deposits, the Company has recorded a provision against the outstanding amount. The details of the advance are as below:

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits		
Considered good	2,294	2,348
Considered doubtful	553	100
Less: Provision for doubtful deposits	(553)	(100)
	2,294	**2,348**

**This includes an intercompany credit facility provided to Bharti Airtel Africa B.V. at 3M LIBOR + 2% on July 12, 2010 with maturity date of December 31, 2021. The initial tenure of this credit facility was 7 years, with option for renewal. The Company has renewed this facility for another 4 years and revised the maturity date to December 31, 2021. The credit facility is denominated in USD. There are no collaterals for this facility and it has a limit of USD 6,500 Mn. The interest is accumulated in the loan balance.

Deloitte Haskins & Sells LLP Chartered Accountants

(All amounts are in USD thousand, unless stated otherwise)

11. Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered good		
Management fees receivable from related parties (Refer note 39)	129,466	155,110
	129,466	**155,110**

12. Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
- On current accounts	4,750	3,041
- Term deposits with bank	750,000	145,540
	754,750	**148,581**

For the purpose of the statement of cash flows, cash and cash equivalents comprise of the following:-

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents as per balance sheet	754,750	148,581
Bank Overdraft (Refer note 17)	(1,090)	-
	753,660	**148,581**

13. Loans

Particulars	As at March 31, 2019	As at March 31, 2018
Loans to non group companies	-	60,111
	-	**60,111**

The Company divested some tower assets in its African operating subsidiary companies to, amongst others, Eaton Towers Limited and its affiliates (Eaton). Eaton is a non-group company engaged in providing passive infrastructure services. As part of the divestment to Eaton, the Company provided a loan facility to Eaton. Against the loan, Eaton issued 9% Fixed Rate Investor Loan Note with maturity of 6 months to 12 months. The Loan Note was secured by a pledge over certain shares in the capital of Eaton Towers Limited. During the year ended March 31, 2019, Eaton has repaid the loan to the Company.

DELOITTE HASKINS & SELLS LLP Chartered Accountants

(All amounts are in USD thousand, unless stated otherwise)

14. Other financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
Employee receivables *	272	288
Interest accrued on fixed deposits	1,515	-
Interest accrued on Loan and advances	-	2,258
Others	88	219
	1,875	**2,765**

*Considering the uncertainty of recovering the amount of advance, the Company has recorded a provision against the outstanding amount. The details of advance are as below:

Particulars	As at March 31, 2019	As at March 31, 2018
Considered good	272	-
Considered doubtful	160	-
Less: Provision for doubtful advances	(160)	-
	272	**-**

15. Other non-financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	455	346
Advances to suppliers*	-	450
	455	**796**

*Considering the uncertainty of recovering the amount of advance, the Company has recorded a provision against the outstanding amount. The details of advance are as below:

Particulars	As at March 31, 2019	As at March 31, 2018
Advances to suppliers		
Considered good	-	450
Considered doubtful	85,271	84,945
Less: Provision for doubtful advances	(85,271)	(84,945)
	-	**450**

(All amounts are in USD thousand, unless stated otherwise)

16. Share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Issued, Subscribed and fully paid-up shares		
1 Ordinary shares "A" of Euro 1 each (March 31, 2018: 1 Ordinary shares "A") of EUR 1 each	0	0
1,781,248,326 Ordinary shares "B" of Euro 1 each (March 31, 2018: 1,781,248,325 Ordinary shares "B") of EUR 1 each	2,359,439	2,359,439
	2,359,439	**2,359,439**

Terms/rights attached to equity shares

The Company has two classes of ordinary shares, each with a par value of EUR 1. Each holder of ordinary shares is entitled to one vote per share.

Shareholders of different categories of ordinary shares are entitled to receive pro-rated dividend on the basis of nominal value of shares and capital contribution in the form of share premium.

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

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	No.	Amount	No.	Amount
Ordinary shares				
At the beginning of the year	1,781,248,326	2,359,439	1,781,248,326	2,359,439
Issued during the year	1	0	-	-
Outstanding at the end of the year	**1,781,248,327**	**2,359,439**	**1,781,248,326**	**2,359,439**

b. Details of shareholders (as per register of shareholders)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% holding	No. of shares	% holding
Ordinary shares "A"				
Bharti Airtel Limited	1	0.01%	1	0.01%
Ordinary shares "B"				
Airtel Africa Limited	1,781,248,326	99.99%	-	-
Network i2i Limited	-	-	1,781,248,325	99.99%

During the year ended March 31, 2019, the Company's direct shareholders Network i2i Limited (a wholly-owned subsidiary of Bharti Airtel Limited) sold all their shares aggregating to 1,781,248,325 shares of EUR 1 each to Airtel Africa Limited, a Company incorporated in England and Wales.

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

(All amounts are in USD thousand, unless stated otherwise)

17. Borrowings

Non-current

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured		
Non -convertible bonds	2,659,267	4,929,579
	2,659,267	**4,929,579**
Less: Current maturities of long term borrowings	(350,734)	(1,228,769)
	2,308,533	**3,700,810**

Current

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured		
Loans from related parties * (Refer note 39)	-	977,906
Bank overdraft	1,090	-
	1,090	**977,906**
Current maturities of long-term borrowings	**350,734**	**1,228,769**

*As on March 31, 2018, Loan from related parties includes a credit facility taken from Network i2i Limited amounting USD 950,126 which is at 0% (zero percent) interest with effect from April 01, 2017. The Company has fully repaid or adjusted outstanding loan during the year ended March 31, 2019.

a. The Company issued the following senior unsecured guaranteed notes (Non-convertible bonds or notes). These notes are guaranteed by the step-up parent Company.

<u>During the year ended March 31, 2015</u>	Issue price	Due in	Listed on stock exchange
5.35% USD 1,000 Mn	99.916%	2024	Singapore / Frankfurt
3.375% Euro 750 Mn (USD 1,010 Mn*)	99.248%	2021	Singapore / Frankfurt
<u>During the year ended March 31, 2014</u>	**Issue price**	**Due in**	**Listed on stock exchange**
3% CHF 350 Mn (USD 401 Mn)	100.108%	2020	Swiss (SIX)
4% Euro 750 Mn (USD 1,029 Mn*)	99.756%	2018	Frankfurt
4% Euro 250 Mn (USD 341 Mn*)	100.374%	2018	Frankfurt
<u>During the year ended March 31, 2013</u>	**Issue price**	**Due in**	**Listed on stock exchange**
5.125% USD 1,000 Mn *	100%	2023	Singapore
5.125% USD 500 Mn	100.625%	2023	Singapore

* converted at the exchange rate on the date of receipt.

(All amounts are in USD thousand, unless stated otherwise)

During the year ended March 31, 2019, the Company redeemed the 4% Euro 1000 Mn Bond and the 5.125% USD 995 Mn Bond due in 2018 and 2023 respectively.

The Euro and USD Notes contain certain covenants relating to limitation on indebtedness and on creation of any lien on any of its assets other than as permitted under the agreement, unless an effective provision is made to secure the Notes and guarantee equally and ratably with such Indebtedness for so long as such Indebtedness is so secured by such lien. The limitation on indebtedness covenant gets suspended on notes meeting certain agreed criteria. The debt covenants remained suspended as at the date of the authorization of the financial statements. The CHF notes do not carry any restrictions on the limitation on indebtedness.

b. Analysis of borrowings

The details given below are gross of debts originating cost and fair valuation with respect to hedged risk.

Repayment terms of borrowings

The tables below summarise the maturity profile of the Company's borrowings:

As at March 31, 2019

Currency of borrowings	Rate of Interest (Weighted average)	As at March 31, 2019	Maturity Profile			
			Within one year	between one and two years	between two and five years	over five years
USD	5.21%	1,505,141	-	-	505,415	999,726
EURO	3.38%	838,271	-	-	838,271	-
CHF	3.00%	351,129	351,129	-	-	-
Total		**2,694,541**	**351,129**	**-**	**1,343,686**	**999,726**

As at March 31, 2018

Currency of borrowings	Rate of Interest (Weighted average)	As at March 31, 2018	Maturity Profile			
			Within one year	between one and two years	between two and five years	over five years
USD	5.21%	2,501,363	-	-	1,501,761	999,602
EURO	3.73%	2,147,362	1,229,671	-	917,691	-
CHF	3.00%	365,833	-	365,833	-	-
Total		**5,014,558**	**1,229,671**	**365,833**	**2,419,452**	**999,602**

18. Provisions

Non- current

Particulars	As at March 31, 2019	As at March 31, 2018
Leave encashment	73	-
	73	**-**

(All amounts are in USD thousand, unless stated otherwise)

Current

Particulars	As at March 31, 2019	As at March 31, 2018
Leave encashment	519	850
	519	**850**

19. Others financial liabilities (Non-current)

Particulars	As at March 31, 2019	As at March 31, 2018
ESOP liability	376	512
	376	**512**

20. Other non-current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Advances from group company (Refer note 39)	147,438	149,028
	147,438	**149,028**

21. Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade creditors	2,475	0
Accrued expenses	4,967	282
Due to related parties (Refer note 39)	27,504	34,547
	34,946	**34,829**

22. Other financial liabilities (Current)

Particulars	As at March 31, 2019	As at March 31, 2018
Employees payables	5,532	4,052
Interest accrued but not due on borrowing *	45,485	72,393
ESOP liability	857	807
Others	-	55,860
	51,874	**133,112**

* Includes USD 6,578 as at March 31, 2018 payable to related parties (Refer note 39).

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

(All amounts are in USD thousand, unless stated otherwise)

23. Other non-financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Other taxes payable*	2,250	11,873
	2,250	**11,873**

* Balance as at March 31, 2018 includes USD 1,985 related to VAT and other taxes and USD 7,223 related to provision on account of Corporate Tax payable to the Kenya Revenue Authority (KRA). The Company has paid Corporate Tax to the Kenya Revenue Authority during the year ended March 31, 2019.

24. Guarantees, contingencies and commitments

(i) Guarantees and contingencies

Guarantees:

Guarantees outstanding as on March 31, 2019 amounting to USD 542,799 (USD 410,700 as on March 31, 2018) have been issued for external loans taken by African operating subsidiary companies.

(ii) Commitments

(a) Operating expenditure commitments

The estimated amounts relating to contracts to be executed and not provided for (net of advances) are USD 5,452 and USD 6,027 as at March 31, 2019 and March 31, 2018 respectively.

(b) Capital commitments

The estimated amounts relating to contracts to be executed and not provided for (net of advances) are USD 1,256 and USD 161 as at March 31, 2019 and March 31, 2018 respectively.

(iii) Tax related matter

On December 19, 2016 the Company and the Dutch Tax Authorities ("DTA") entered into an agreement which allows the Company and its subsidiaries in the Netherlands to carry forward a total tax loss of USD 399.2 Mn as at March 31, 2016. In addition to the carry forward of losses, the DTA has allowed for a withholding tax credit of USD 62.8 Mn as at March 31, 2016 for setoff against corporate tax liability arising on future finance income.

25. Revenue from operations

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Management fees (Refer note 39)	43,065	37,849
	43,065	**37,849**

Deloitte Haskins & Sells LLP Chartered Accountants

(All amounts are in USD thousand, unless stated otherwise)

26. Other income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Income from shared service support	-	118
Net gain on FVTPL investments	-	3,378
	-	**3,496**

27. Employee benefits expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and bonus*	35,580	30,129
Contribution to National Social Security Fund of Kenya	543	341
Staff welfare expenses	2,991	946
Share based payments	876	465
Others	1,255	798
	41,245	**32,680**

*Includes USD 1,212 on account of business support charges for the year ended March 31, 2018.

28. Sales and marketing expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sales and marketing expense	7,194	2,628
	7,194	**2,628**

29. Other expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Legal and professional charges*	11,044	(361)
Provision for doubtful debts and advances	245	23
Rent expense*	546	(121)
IT and network expenses*	2,023	(139)
Travelling and conveyance	1,946	497
Administrative expense**	9,792	8,056
Charity and donation	4,011	3,755
Miscellaneous expenses	946	788
	30,553	**12,498**

* During the year ended March 31, 2018, Legal and professional charges, rent expenses and IT and network expenses amounting to USD 3,313, USD 819 and USD 2,371 respectively were reversed.

** Includes USD 10,378 and USD 7,960 on account of business support charges for the years ended March 31, 2019 and 2018, respectively.

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

(All amounts are in USD thousand, unless stated otherwise)

30. Depreciation and amortisation

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation	1,303	1,193
Amortisation	-	-
	1,303	**1,193**

31. Finance costs and Finance income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Finance costs		
Interest expense on borrowings	172,959	179,698
Interest expense on loans from related parties (Refer note 39)	327	503
Loss on transfer of investment	253	-
Net exchange loss	-	320,729
Net loss on financial instruments - fair value hedges	27,184	-
Corporate guarantee charges	15,642	38,196
Other finance charges	108	53
	216,473	**539,179**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Finance income		
Interest income on loans to related parties (Refer note 39)	171,975	141,317
Interest income on loans and advances	1,892	10,187
Interest income on management fees receivable from related parties (Refer note 39)	-	1,570
Interest income on bank deposits	15,431	-
Net exchange gain	64,909	-
Net gain on financial instruments - fair value hedges	-	56,138
Net gain on derivative financial instruments	72,746	32,718
	326,953	**241,930**

32. Non-operating income

During the year ended March 31 2017, the Company entered into an agreement (non-compete) with Helios Towers Africa Limited (HTA) where the Company received USD 30,000 as non-compete fees valid for 1 year from the agreement date. Accordingly, the amount of USD 7,973 was disclosed as non-operating income for the year ended March 31, 2018.

33. Exceptional items

Exceptional items for the year ended March 31, 2019 comprise of the following:

1. Accelerated amortization of transaction costs and fair value hedge adjustment on account of prepayment of the 5.125% USD 995 Mn Bonds.

DELOITTE HASKINS & SELLS LLP Chartered Accountants

(All amounts are in USD thousand, unless stated otherwise)

34. Income taxes

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax expense	7,598	10,443
Deferred tax expense	-	(45,903)
	7,598	**(35,460)**

The company has not recognized deferred tax assets in respect of carry forward unabsorbed losses and deductible temporary differences of USD 8,800 and 26,632 as on March 31, 2019 and March 31, 2018 respectively, as it is not probable that taxable profit will be available in future.

The reconcilation of deferred tax liability is as follows:

Deferred tax liability / (assets)		
Unrealized exchange fluctuation gain / (Loss)	87,353	104,357
Losses available for offset against future taxable income	(87,353)	(104,357)
Net deferred tax liability / (assets)	-	-

Reconciliation between tax expense and net loss before tax is as follows :

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net loss before taxes	69,859	(296,930)
Tax rate	25%	25%
Computed tax expenses	17,465	(74,233)
Increase / (reduction) in taxes on account of :		
Losses and deductible temporary difference against which deferred tax asset recognized	-	-
(Income) / Expense not deductible	(33,863)	1,212
Effect of foreign taxation in Kenya Branch	943	2,250
Provision for withholding tax	6,655	8,193
Items for which no deferred tax asset recognized	8,800	26,630
Taxation on result from operations	-	(35,948)

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised. Tax losses of a fiscal year can be carried forward for a period of nine years.

35. Financial and capital management

1. Financial risk

The business activities of the Company expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's risk management strategies focus on the un-predictability of these elements and seek to minimize the potential adverse effects on its financial performance. Further, the Company uses certain derivative financial instruments to mitigate some of these risk exposures (as discussed below in this note).

The financial risk management for the Company is driven by the Company's management, in close co-ordination with the operating entities and internal / external experts subject to necessary supervision. The Company does not undertake any speculative transactions either through derivatives or otherwise. The management is accountable to the Shareholders. They ensure that the Company's financial risk-taking activities are governed by an appropriate financial risk governance frame work and by policies and procedures. The Company periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

(i) Foreign currency risk

Foreign exchange risk arises on all recognized monetary assets and liabilities, and any highly probable forecasted transactions, which are denominated in a currency other than the functional currency of the Company. Foreign exchange exposure mainly arises from borrowings and denominated in foreign currencies.

The foreign exchange risk management policy of the Company requires it to manage the foreign exchange risk by transacting as far as possible in the functional currency. Moreover, the Company monitors the movements in currencies in which the borrowings are payable and manage any related foreign exchange risk, which inter-alia include entering into foreign exchange derivative contracts - as considered appropriate and whenever necessary.

As per the Company's hedging policy certain foreign currency liability and highly probable forecast transactions and have been designated under cash flow hedge. The following table analyses the movement in the Cash flow hedge reserve in FCTR due to said hedge and details thereto.

Cash Flow Hedge

USD thousand

	March 31, 2019		March 31, 2018	
Currency exchange risk hedged	Euro to USD	CHF to USD	Euro to USD	CHF to USD
Nominal amount of hedging instruments	Euro 870 Mn	CHF 350 Mn	Euro 870 Mn	CHF 350 Mn
Maturity date	December 2018	March 2020	December 2018	March 2020
Weighted average forward price	1 Euro: 1.12 USD	1 CHF: 1.12 USD	1 Euro: 1.12 USD	1 CHF: 1.12 USD
Carrying value of derivative instruments (assets)	-	-	113,189	6,118
Carrying value of derivative instruments (liabilities)	-	26,118	-	928
Change in fair value during the year				
Hedged Item	113,189	31,308	(125,175)	(14,752)
Hedging Instrument	(113,189)	(31,308)	125,175	14,752
CFHR for continuing Hedge	-	2,001	6,162	8,185
Hedging gain / (loss) recognised during the period	(113,189)	(31,308)	125,175	14,752
(Loss) / gain reclassifictaion during the period to P&L	107,027	25,124	(122,225)	(5,306)

Deloitte Haskins & Sells LLP Chartered Accountants

Foreign currency sensitivity

The impact of foreign exchange sensitivity on profit for the year and other comprehensive income is given in the table below:

	Change in currency exchange rate	Effect on profit before tax
For the year ended March 31, 2019		
EURO	+5%	(41,914)
	-5%	41,914
For the year ended March 31, 2018		
EURO	+5%	(53,871)
	-5%	53,871

The sensitivity disclosed in the above table is mainly attributable to foreign exchange gains / losses on translation of Euro and CHF denominated borrowings and derivative financial instruments.

The above sensitivity analysis is based on a reasonably possible change in the underlying foreign currency against the respective functional currency while assuming all other variables to be constant.

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, the Company's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

(ii) Interest rate risk

As the Company does not have exposure to any floating-interest bearing assets, or any significant long-term fixed-interest bearing assets, its interest income and related cash inflows are not affected by changes in market interest rates. Consequently, the Company's interest rate risk arises mainly from borrowings.

Borrowings

Borrowings with floating and fixed interest rates expose the Company to cash flow and fair value interest rate risk respectively. However, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure. Accordingly, the components of the debt portfolio are determined by the management in a manner which enables the Company to achieve an optimum debt-mix basis its overall objectives and future market expectations.

The Company monitors the interest rate movement and manages the interest rate risk based on its risk management policies, which inter-alia include entering into interest swaps contracts - as considered appropriate and whenever necessary.

The Company has designated the interest rate components (which is separately identifiable from other components) of certain fixed interest bonds under the hedge relationship since historically it accounts for substantial portion of the total fair value change of the bonds.

The following table analyses the financial impact of fair value hedge and details thereto.

USD thousand

	March 31, 2019		March 31, 2018	
Interest rate risk covered for currency	USD	EUR	USD	EUR
Nominal amount of Hedging instruments	USD 1200 Mn	-	USD 1900 Mn	-
Carrying value of hedging instruments (derivative assets)	15,311	-	291	-
Carrying value of hedging instruments (derivative liabilities)	6,855	-	42,644	-
Maturity Date	March 2023 - May 2024	-	March 2023 - May 2024	-
Carrying value of hedged item (borrowings)	1200 Mn	-	1900 Mn	-
Change in fair value during the year				
Hedged item	(43,792)	-	52,713	-
Hedging instrument	50,810	-	(50,321)	-
Hedging ineffectiveness recognized in finance Income/cost during the year	7,018	-	2,391	-
Cumulative change in fair value of hedged items	18,614	-	75,723	-
Unamortized potion of fair value hedge adjustments	10,635	-	-	(2,683)

Interest rate sensitivity of borrowings

The impact of the interest rate sensitivity on profit before tax is given in the table below:

	Increase and decrease in basis points	Effect on profit before tax
For the year ended March 31, 2019		
USD	+25	(3,000)
	-25	3,000
For the year ended March 31, 2018		
USD	+25	6,750
	-25	(6,750)

The sensitivity disclosed in the above table is attributable to floating-interest rate borrowings and the interest swaps.

Interest rate sensitivity of loans and advances

The impact of the interest rate sensitivity on profit before tax is given in the table below:

DELOITTE HASKINS & SELLS LLP Chartered Accountants

(All amounts are in USD thousand, unless stated otherwise)

	Increase and decrease in basis points	Effect on profit before tax
For the year ended March 31, 2019		
USD	+25	9,464
	-25	(9,464)
For the year ended March 31, 2018		
USD	+25	10,032
	-25	(10,032)

The above sensitivity analysis is based on a reasonably possible change in the underlying interest rate of the Company's borrowings in USD (being the significant currency in which it has borrowed funds), while assuming all other variables (in particular foreign currency rates) to be constant.

Based on the movements in the interest rates historically and the prevailing market conditions as at the reporting date, the Company's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

(iii) 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 is exposed to credit risk mainly with respect to derivative financial instruments.

Financial instruments and cash deposits

The Company's treasury, in accordance with the board approved policy, maintains its cash and cash equivalents and deposits, and enters into derivative financial instruments - with banks, financial and other institutions, having good reputation and past track record, and high credit rating. Similarly, counter-parties of the Company's other receivables carry either none or minimal credit risk. Further, the Company reviews the credit-worthiness of the counter-parties (on the basis of its ratings, credit spreads and financial strength) of all the above assets on an on-going basis, and if required, takes necessary mitigation measures.

(iv) 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. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from both domestic and international banks at an optimized cost. It also enjoys strong access to domestic and international capital markets across debt and equity.

Moreover, the Company's senior management regularly monitors the rolling forecasts of the entities' liquidity reserve (comprising of the amount of available un-drawn credit facilities and Cash and cash equivalents) and the related requirements, to ensure they have sufficient cash on an on-going basis to meet operational needs while maintaining sufficient headroom at all times on its available un-drawn committed credit facilities, so that there is no breach of borrowing limits or relevant covenants on any of its borrowings.

(All amounts are in USD thousand, unless stated otherwise)

Based on past performance and current expectations, the Company believes that the Cash and cash equivalents, cash generated from operations and available un-drawn credit facilities, will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	As at March 31, 2019						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings *	2,660,357	1,090	-	351,129	-	2,343,411	**2,695,630**
Other financial liabilities	52,842	-	52,364	29	-	449	**52,842**
Trade payables	34,946	-	34,946	-	-	-	**34,946**
Financial liabilities (excluding derivatives)	**2,748,145**	**1,090**	**87,310**	**351,158**	**-**	**2,343,860**	**2,783,418**
Derivative assets	49,985	-	5,006	135	-	44,844	**49,985**
Derivative liabilities	(33,774)	-	(660)	(26,118)	-	(6,996)	**(33,774)**
Net Derivatives	**16,211**	**-**	**4,346**	**(25,983)**	**-**	**37,847**	**16,211**

Particulars	As at March 31, 2018						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings *	5,907,485	977,906		1,229,671	365,833	3,419,054	**5,992,464**
Other financial liabilities	133,624	6,563	107,080	19,469	-	512	**133,624**
Trade payables	34,829	-	34,829	-	-	-	**34,829**
Financial liabilities (excluding derivatives)	**6,075,938**	**984,469**	**141,909**	**1,249,140**	**365,833**	**3,419,566**	**6,160,917**
Derivative assets	159,053	-	13,086	125,773	3,882	16,312	**159,053**
Derivative liabilities	(81,256)	-	(382)	(349)	(928)	(79,596)	**(81,255)**
Net Derivatives	**77,797**	**-**	**12,704**	**125,424**	**2,954**	**(63,285)**	**77,797**

* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period after adjustment for the impact of interest swaps, over the tenor of the borrowings.

2. Capital Management

The Company's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is able to provide returns and create value for its shareholders, and benefits for other stakeholders), to support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and to maintain an optimal and efficient capital structure so as to reduce the cost of capital. However, the key objective of the Company's capital management is to ensure that it maintains a stable capital structure with focus on total equity, uphold investor, creditor and customer confidence, and ensure future development of its business activities. In order to maintain or adjust the capital structure, the Company may issue new shares, declare dividends, return capital to shareholders, etc.

(All amounts are in USD thousand, unless stated otherwise)

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 total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Borrowings	2,660,357	5,907,485
Less: Cash and cash equivalents	754,750	148,581
Net debt	**1,905,607**	**5,758,904**
Equity	3,593,505	71,831
Total capital	**3,593,505**	**71,831**
Capital and Net Debt	**5,499,112**	**5,830,735**
Gearing Ratio	**34.7%**	**98.8%**

(This space has been intentionally left blank)

(All amounts are in USD thousand, unless stated otherwise)

36. Fair Value of financial assets and liabilities

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

	Level	Carrying Value		Fair Value	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial Assets					
Assets carried at fair value through profit or loss					
Derivatives					
- Currency swaps, forward and option contracts	Level 2	403	128,047	403	128,047
- Interest rate swaps	Level 2	49,582	31,006	49,582	31,006
Investments	Level 2	-	48,253	-	48,253
Assets carried at amortised costs					
Loans and security deposits	Level 2	3,787,987	4,075,364	3,787,987	4,075,364
Trade receivables	Level 2	129,466	155,110	129,466	155,110
Cash and cash equivalents	Level 1	754,750	148,581	754,750	148,581
Other financial assets	Level 2	1,875	2,765	1,875	2,765
		4,724,063	**4,589,126**	**4,724,063**	**4,589,126**
Financial Liabilities					
Liabilities carried at fair value through profit or loss					
Derivatives					
- Currency swaps, forward and option contracts	Level 2	26,778	1,310	26,778	1,310
- Interest rate swaps	Level 2	6,996	79,946	6,996	79,946
Liabilities carried at amortised costs					
Borrowings- fixed rate	Level 1	2,659,267	4,929,579	2,746,955	5,129,401
Borrowings- floating rate	Level 2	1,090	977,906	1,090	977,906
Trade payables	Level 2	34,946	34,829	34,946	34,829
Other financial liabilities	Level 2	52,250	133,624	52,250	133,624
		2,781,327	**6,157,194**	**2,869,014**	**6,357,016**

The following methods / assumptions were used to estimate the fair values:

i. The carrying value of trade receivables, trade payables, short-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments.
ii. Fair value of non-convertible bonds is based on quoted market price at the reporting date.
iii. The fair values of derivatives are estimated by using pricing models, wherein the inputs to those models are based on readily observable market parameters. The valuation models used by the Company reflect the contractual terms of the derivatives (including the period to maturity), market-based parameters such as interest rates, foreign exchange rates, volatility etc. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgment and inputs thereto are readily observable.

During the years ended March 31, 2019 and 2018, there were no transfers between Level 1 and Level 2 fair value measurements.

Deloitte Haskins & Sells LLP Chartered Accountants

The following table describes the valuation techniques used and key inputs thereto for the level 2 financial assets / liabilities as at March 31, 2019 and March 31, 2018:

Financial assets / Financial liabilities	Valuation technique	Input used
Currency swaps, forward and Option contracts	Discounted Cash Flow	Forward currency exchange rates, Interest rates.
Interest swaps	Discounted Cash Flow	Prevailing / forward interest rates in market, Interest rates
Investments	Discounted Cash Flow	Prevailing interest rates in market, Interest rates
Other financial assets	Discounted Cash Flow	Prevailing interest rates in market, future payouts, Interest rates
Other borrowing- fixed rate	Discounted Cash Flow	Prevailing interest rates in market, future payouts, Interest rates
Other financial liabilities	Discounted Cash Flow	Prevailing interest rates in market, future payouts, Interest rates

37. Key management personnel remuneration

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
J.C. Uneken-van de Vreede	242	238
Raghunath Mandava	1,903	1,189
	2,145	**1,427**

38. Earnings/ (loss) per share ('EPS')

Particulars	Ordinary shares "A"	Ordinary shares "B"
March 31, 2019		
Par value of equity shares (in EUR)	1	1
Profit attributable to equity shareholders (A)	0	62,261
Weighted average number of equity shares outstanding during the year (Nos. in thousand) (B)	0	1,781,248
Basic / Diluted Earnings per Share (A / B)	0.01	0.03
March 31, 2018		
Par value of equity shares (in EUR)	1	1
Loss attributable to equity shareholders (A)	(0)	(261,470)
Weighted average number of equity shares outstanding during the year (Nos. in thousand) (B)	0	1,781,248
Basic / Diluted Earnings per Share (A / B)	(0.07)	(0.15)

Deloitte Haskins & Sells LLP Chartered Accountants

(All amounts are in USD thousand, unless stated otherwise)

39. Related Party Disclosures

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

Name of subsidiary	Principal place of business	Principal activities	% As of March 31, 2019	% As of March 31, 2018
Africa Towers N.V.	Netherlands	Investment Company	100	100
Africa Towers Services Limited	Kenya	Infrastructure sharing services	-	100
Airtel (Seychelles) Limited	Seychelles	Telecommunication services	100	100
Airtel Congo S.A.	Congo Brazzaville	Telecommunication services	90	90
Airtel Money Tanzania Limited	Tanzania	Mobile commerce services	60	60
Airtel Gabon S.A.	Gabon	Telecommunication services	98	90
Airtel Madagascar S.A.	Madagascar	Telecommunication services	100	100
Airtel Malawi Limited	Malawi	Telecommunication services	100	100
Airtel Mobile Commerce B.V.	Netherlands	Investment Company	100	100
Airtel Mobile Commerce Holdings B.V.	Netherlands	Investment Company	100	100
Airtel Mobile Commerce (Kenya) Limited	Kenya	Mobile commerce services	100	100
Airtel Mobile Commerce Limited	Malawi	Mobile commerce services	100	100
Airtel Mobile Commerce Madagascar S.A.	Madagascar	Mobile commerce services	100	100
Airtel Mobile Commerce Rwanda Limited	Rwanda	Mobile commerce services	100	100
Airtel Mobile Commerce (Seychelles) Limited	Seychelles	Mobile commerce services	100	100
Airtel Mobile Commerce (Tanzania) Limited	Tanzania	Mobile commerce services	100	100
Airtel Mobile Commerce Tchad S.a.r.l.	Chad	Mobile commerce services	100	100
Airtel Mobile Commerce Uganda Limited	Uganda	Mobile commerce services	100	100
Airtel Mobile Commerce Zambia Limited	Zambia	Mobile commerce services	100	100
Airtel Money (RDC) S.A.	Democratic Republic of Congo	Mobile commerce services	99	99
Airtel Money Niger S.A.	Niger	Mobile commerce services	90	90
Airtel Money S.A.	Gabon	Mobile commerce services	100	100
Airtel Networks Kenya Limited	Kenya	Telecommunication services	100	100
Airtel Networks Limited	Nigeria	Telecommunication services	92	83
Airtel Networks Zambia Plc	Zambia	Telecommunication services	96	96
Airtel Rwanda Limited	Rwanda	Telecommunication services	100	100
Airtel Tanzania PLC (formerly known as Airtel Tanzania Limited)	Tanzania	Telecommunication services	60	60
Airtel Tchad S.A.	Chad	Telecommunication services	100	100
Airtel Uganda Limited	Uganda	Telecommunication services	100	100
Bharti Airtel Chad Holdings B.V.	Netherlands	Investment Company	100	100
Bharti Airtel Congo Holdings B.V.	Netherlands	Investment Company	100	100
Bharti Airtel Developers Forum Limited	Zambia	Investment Company	96	96
Bharti Airtel DTH Holdings B.V. (2)	Netherlands	Investment Company	-	-
Bharti Airtel Gabon Holdings B.V.	Netherlands	Investment Company	100	100
Bharti Airtel Kenya B.V.	Netherlands	Investment Company	100	100
Bharti Airtel Kenya Holdings B.V.	Netherlands	Investment Company	100	100
Bharti Airtel Madagascar Holdings B.V.	Netherlands	Investment Company	100	100
Bharti Airtel Malawi Holdings B.V.	Netherlands	Investment Company	100	100

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

(All amounts are in USD thousand, unless stated otherwise)

Name of subsidiary	Principal place of business	Principal activities	% As of March 31, 2019	% As of March 31, 2018
Bharti Airtel Mali Holdings B.V.	Netherlands	Investment Company	100	100
Bharti Airtel Niger Holdings B.V.	Netherlands	Investment Company	100	100
Bharti Airtel Nigeria B.V.	Netherlands	Investment Company	100	100
Bharti Airtel Nigeria Holdings B.V. (2)	Netherlands	Investment Company	-	-
Bharti Airtel Nigeria Holdings II B.V.	Netherlands	Investment Company	100	100
Bharti Airtel RDC Holdings B.V.	Netherlands	Investment Company	100	100
Bharti Airtel Services B.V.	Netherlands	Investment Company	100	100
Bharti Airtel Tanzania B.V.	Netherlands	Investment Company	100	100
Bharti Airtel Uganda Holdings B.V.	Netherlands	Investment Company	100	100
Bharti Airtel Zambia Holdings B.V.	Netherlands	Investment Company	100	100
Celtel (Mauritius) Holdings Limited	Mauritius	Investment Company	100	100
Airtel Congo (RDC) S.A.	Democratic Republic of Congo	Telecommunication services	99	99
Celtel Niger S.A.	Niger	Telecommunication services	90	90
Channel Sea Management Company (Mauritius) Limited	Mauritius	Investment Company	100	100
Congo RDC Towers S.A.	Democratic Republic of Congo	Infrastructure sharing services	100	100
Gabon Towers S.A.	Gabon	Infrastructure sharing services	90	90
Madagascar Towers S.A.	Madagascar	Infrastructure sharing services	100	100
Malawi Towers Limited	Malawi	Infrastructure sharing services	100	100
Mobile Commerce Congo S.A.	Congo Brazzaville	Mobile commerce services	100	100
Montana International	Mauritius	Investment Company	100	100
MSI-Celtel Nigeria Limited (2)	Nigeria	Investment Company	-	-
Partnership Investments S.a.r.l.	Democratic Republic of Congo	Investment Company	100	100
Société Malgache de Téléphone Cellulaire S.A.	Mauritius	Investment Company	100	100
Tanzania Towers Limited	Tanzania	Infrastructure sharing services	60	60
Towers Support Nigeria Limited (2)	Nigeria	Infrastructure sharing services	-	-
Zap Trust Company Nigeria Limited (2)	Nigeria	Mobile commerce services	-	-
Airtel Money Transfer Limited	Kenya	Mobile commerce services	100	100
Bharti Airtel Rwanda Holdings Limited	Mauritius	Investment Company	100	100
Airtel Mobile Commerce Nigeria Limited	Nigeria	Mobile commerce services	92	83
Tigo Rwanda Limited (merged with Airtel Rwanda Limited during the FY 2018-19)	Rwanda	Telecommunication services	-	100
Indian Ocean Telecom Limited	Jersey	Investment Company	100	100
Bharti Airtel Burkina Faso Holdings B.V. (3)	Netherlands	Investment Company	-	100
Seychelles Cable Systems Company Limited	Seychelles	Submarine cable system		26
Airtel Mobile Commerce Rwanda B.V.	Netherlands	Investment Company	100	-
Airtel Mobile Commerce Zambia B.V.	Netherlands	Investment Company	100	-
Airtel Mobile Commerce Uganda B.V.	Netherlands	Investment Company	100	-
Airtel Mobile Commerce Kenya B.V.	Netherlands	Investment Company	100	-
Airtel Mobile Commerce Madagascar B.V.	Netherlands	Investment Company	100	-
Airtel Mobile Commerce Malawi B.V.	Netherlands	Investment Company	100	-
Airtel Mobile Commerce (Seychelles) B.V.	Netherlands	Investment Company	100	-
Airtel Mobile Commerce Tchad B.V.	Netherlands	Investment Company	100	-
Airtel Mobile Commerce Congo B.V.	Netherlands	Investment Company	100	-
Airtel Mobile Commerce Nigeria B.V	Netherlands	Investment Company	100	-
Airtel International LLP	India	Business support services	100	-

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

(2) Liquidated during the year ended March 31, 2018.

(3) Liquidated during the year ended March 31, 2019.

Deloitte Haskins & Sells LLP Chartered Accountants

(All amount are in USD thousand, unless stated otherwise)

Related Party Transactions for the year ended March 31, 2019

Nature of transaction	Bharti Airtel Limited	Airtel Africa PLC	Network i2i Limited	Bharti Airtel Services Limited	Bharti Airtel (USA) Limited	Bharti Airtel (UK) Limited	Airtel Gabon S.A.
Particulars							
Purchase of services	(28,471)	-	-	-	-	-	-
Transfer of investment	-	-	(208,000)	-	-	-	-
Share premium received	-	3,471,758	-	-	-	-	-
Interest charged on loans taken	-	-	-	-	(45)	(275)	-
Loans received	-	-	409,500	-	1,000	9,000	-
Loans given	-	-	-	-	-	-	-
Repayment of loans received	-	-	(1,157,758)	-	(5,578)	(30,946)	-
Repayment of loans given	-	-	-	-	-	-	-
Guarantee and collateral fees paid	(23,101)	-	-	-	-	-	-
Management fees charged	-	-	-	-	-	-	3,965
Interest income on loans	-	-	-	-	-	-	-
Payment for services	(12,432)	-	-	-	-	-	-
Outstanding balance as at March 31, 2019							
Borrowings	-	-	-	-	-	-	-
Trade payables	(15,908)	-	-	(82)	-	-	-
Other non-current liabilities	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-	564
Total	**(15,908)**	**-**	**-**	**(82)**	**-**	**-**	**564**
Guarantees and Collaterals	-	-	-	-	-	-	-
Corporate Guarantee received on Loans	7,955,530	-	-	-	-	-	-

DELOITTE HASKINS & SELLS LLP Chartered Accountants

(All amounts are in USD thousand, unless stated otherwise)

airtel

Related Party Transactions for the year ended March 31, 2019

Nature of transaction	Airtel Networks Limited	Celtel Congo (RDC) S.a.r.l.	Airtel Uganda	Airtel Tanzania Limited	Airtel Networks Zambia Plc	Bharti Airtel Africa B.V.	Other subsidiaries	Total
Particulars								
Purchase of services	-	-	-	-	-	-	(722)	(29,193)
Transfer of investment	-	-	-	-	-	-	-	(208,000)
Share premium received	-	-	-	-	-	-	-	3,471,758
Interest charged on loans taken	-	-	-	-	-	-	(6)	(326)
Loans received	-	-	-	-	-	-	-	419,500
Loans given	-	-	-	-	-	166,510	35,561	202,071
Repayment of loans received	-	-	-	-	-	-	(1,696)	(1,195,978)
Repayment of loans given	-	-	-	-	-	(585,573)	(15,685)	(601,258)
Guarantee and collateral fees received	-	-	-	-	-	-	-	(23,101)
Management fees charged	-	7,896	6,304	5,060	4,003	-	15,837	43,065
Interest income on loans	-	-	-	-	-	170,117	1,858	171,975
Payment for services	-	-	-	-	-	-	-	(12,432)
Outstanding balance as at March 31, 2019								
Borrowings	-	-	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-	(11,514)	(27,504)
Other financial liabilities	-	-	-	-	-	(147,438)	-	(147,438)
Loans	-	-	-	-	-	3,727,690	58,003	3,785,693
Trade receivables	-	44,883	955	37,842	686	-	44,536	129,466
Total	**-**	**44,883**	**955**	**37,842**	**686**	**3,580,252**	**91,025**	**3,740,217**
Guarantees and Collaterals	134,875	2,790	133,850	1,594	63,000	-	206,690	542,799
Corporate Guarantee received on Loans	-	-	-	-	-	-	-	7,955,530

DELOITTE HASKINS & SELLS LLP Chartered Accountants

BHARTI AIRTEL INTERNATIONAL (NETHERLANDS) B.V.
Notes to Standalone Financial Statements for the year ended March 31, 2019
(All amounts are in USD thousand, unless stated otherwise)

airtel

Related Party Transactions for the year ended March 31, 2018

Nature of transaction	Bharti Airtel Limited	Airtel Africa Limited	Bharti Airtel International (Mauritius) Ltd.	Network i2i Limited	Bharti Airtel Services Limited	Bharti Airtel (USA) Limited	Bharti Airtel (UK) Limited
Particulars							
Purchase of services	(9,604)	-	-	-	(1,212)	-	-
Transfer of investment	-	-	-	-	-	-	-
Share premium received	-	-	-	-	-	-	-
Interest charged on loans taken	-	-	-	-	-	(128)	(375)
Loans received	-	-	-	(632,001)	-	(3,900)	(21,721)
Loans given	-	-	-	-	-	-	-
Repayment of loans received	-	-	-	351,035	-	5,083	9,151
Repayment of loans given	-	-	-	-	-	-	-
Guarantee and colletral fees paid	(18,990)	-	-	-	-	-	-
Management fees charged	-	-	-	-	-	-	-
Interest income on loans	-	-	-	-	-	-	-
Interest income on management fees receivable	-	-	-	-	-	-	-
Outstanding balance as at March 31, 2018							
Borrowings	-	-	-	(950,126)	-	(4,517)	(21,567)
Trade payables	(23,248)	-	-	-	(587)	-	-
Other financial liabilities	-	-	-	(6,131)	-	(61)	(379)
Other non-current liabilities	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-	-
Total	**(23,248)**	**-**	**-**	**(956,257)**	**(587)**	**(4,578)**	**(21,946)**
Guarantees and Collaterals	-	-	-	-	-	-	-
Corporate Guarantee received on Loans	10,692,000	-	-	-	-	-	-

DELOITTE HASKINS & SELLS LLP Chartered Accountants

(All amounts are in USD thousand, unless stated otherwise)

airtel

Related Party Transactions for the year ended March 31, 2018

Nature of transaction	Airtel Networks Limited	Celtel Congo (RDC) S.a.r.l.	Airtel Uganda	Airtel Tanzania Limited	Airtel Networks Zambia Plc	Bharti Airtel Africa B.V.	Other subsidiaries	Total
Particulars								
Purchase of services	-	-	-	-	-	-	(823)	(11,639)
Issue of share capital (including share premium)	-	-	-	-	-	-	-	-
Refund of share premium received	-	-	-	-	-	-	-	-
Interest charged on loans taken	-	-	-	-	-	-	-	(503)
Loans received	-	-	-	-	-	-	(6,061)	(663,683)
Loans given	-	-	-	-	-	193,752	53	193,805
Repayment of loans received	-	-	-	-	-	-	4,399	369,668
Repayment of loans given	-	-	-	-	-	(623,310)	(3,519)	(626,829)
Guarantee and colletral fees received	-	-	-	-	-	-	-	(18,990)
Management fees charged		6,928	5,388	4,232	4,045	-	17,256	37,849
Interest income on loans	-	-	-	-	-	139,283	2,034	141,317
Interest income on management fees receivable	-	577	2	305	-	-	686	1,570
Outstanding balance as at March 31, 2018								
Borrowings	-	-	-	-	-	-	(1,696)	(977,906)
Trade payables	-	-	-	-	-	-	(10,712)	(34,547)
Other financial liabilities	-	-	-	-	-	-	(6)	(6,578)
Other non-current liabilities	-	-	-	-	-	(149,028)	-	(149,028)
Loans	-	-	-	-	-	3,976,653	36,252	4,012,905
Trade receivables	-	54,997	544	33,541	403	-	65,625	155,110
Total	**-**	**54,997**	**544**	**33,541**	**403**	**3,827,624**	**89,463**	**2,999,956**
Guarantees and Collaterals	229,929	12,940	135,518	9,155	-	-	23,158	410,700
Corporate Guarantee received on Loans								10,692,000

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

40. Significant events

In January 2019, the Government of Tanzania ('GoT') and the Bharti Group, on a composite basis, agreed (i) to the GoT's withdrawal of certain tax claims and regulatory fines (ii) the entry into an agreement between the GoT and Airtel Tanzania PLC ('ATZ') for the provision of support services to ATZ on a 'best efforts' basis in order to support its development; (iii) to approve the sale of towers owned by ATZ; (iv) to allow a defined portion of the net sale proceeds of the tower sale towards repayment of the outstanding shareholder loan granted to ATZ by Bharti Airtel Tanzania B.V. ('BATBV') which shall be treated as full repayment of said loan; (iv) to either exempt ATZ from the listing obligations or to ensure that the Group's beneficial ownership of ATZ will not decrease below 51% at any time; and (v) to an increase in the GOT's shareholding in ATZ, to 49% at zero effective cost. The said document also provided for execution of detailed agreements between GoT, ATZ and the Group, wherever required, to give effect to the above.

Pursuant to the above arrangement, the Company believes that the above-mentioned settlement amongst the shareholders of ATZ should be accounted for as an equity transaction on the consummation of the said agreements.

41. Going Concern

The Company funded its acquisitions in investments and providing loans to group companies via shareholders' contributions, interest bearing third party loan and interest bearing Bonds. Bharti Airtel Limited (the step-up holding company) ensures compliance in its capacity as parent / principal shareholder in discharging commitments, liabilities and obligations of the Company in the event of any shortage of funds. This assurance shall be valid for a period of at least 12 months from the date of the financial report for the period ended March 31, 2019. Further the bonds issued are guaranteed by the Bharti Airtel Limited.

42. Subsequent event

The board approved the repayment of USD 200 Mn informal capital, earlier contributed to the share premium of the Company on May 16, 2019. The repayment was executed on May 17, 2019.

43. Other information

Previous year's figures have been regrouped / reclassified where necessary to confirm to current year's classification.

Deloitte Haskins & Sells LLP Chartered Accountants