

**Airtel Africa Mauritius Limited**

**Audited Financial Statements**

**March 31, 2023**

**Airtel Africa Mauritius Limited**

**Audited Financial Statements – March 31, 2023**

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**Airtel Africa Mauritius Limited**  
**Corporate Information**

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		<b>Date of appointment</b>
<b>DIRECTORS</b>	: Saviniloma Payandi-Pillay Ramen Mukesh Hassanand Bhavnani Jantina Catharina Van De Vreede	March 9, 2022 November 25, 2021 June 28, 2018
<b>ADMINISTRATOR AND SECRETARY</b>	: IQ EQ Corporate Services (Mauritius) Ltd 33 Edith Cavell Street Port Louis, 11324 Republic of Mauritius	
<b>REGISTERED OFFICE</b>	: IQ EQ Corporate Services (Mauritius) Ltd 33 Edith Cavell Street Port Louis, 11324 Republic of Mauritius	
<b>BANKER</b>	: Standard Chartered Bank (Mauritius) Limited 19, Bank Street, 6 <sup>th</sup> floor Standard Chartered Tower, Cybercity, Ebene - 72201 Republic of Mauritius	
<b>AUDITOR</b>	: Deloitte 7th - 8th Floor, Standard Chartered Tower, 19 – 21 Bank Street, Cybercity Ebene Republic of Mauritius	

**Airtel Africa Mauritius Limited**  
**Commentary of the Directors**

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The Directors present their commentary, together with the audited Financial Statements of Airtel Africa Mauritius Limited (the 'Company') for the year ended March 31, 2023.

**PRINCIPAL ACTIVITY**

The Company is principally engaged in investment holding activity.

**DIVIDENDS**

The Directors do not recommend payment of any dividend for the year ended March 31, 2023 (2022: Nil).

**DIRECTORS**

The present membership of the Board of Directors is set out on page 2.

**DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The Company's Directors are responsible for the preparation and fair presentation of the Financial Statements, comprising the Statement of Financial Position as at March 31, 2023, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and the notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards ('IFRS') and in compliance with the Mauritius Companies Act 2001 and for such internal controls which are necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not be a going concern in the year ahead.

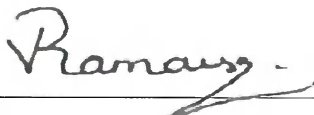
**AUDITOR**

The Board of Directors has recommended the appointment of Deloitte as auditor for the year 2023-24. Deloitte has confirmed its willingness / eligibility to continue in office and a resolution concerning its re-appointment will be proposed at the next Annual General Meeting of shareholder.

## **Certificate from the secretary**

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We certify that, to the best of my knowledge and belief, Airtel Africa Mauritius Limited (the 'Company') has filed with the Registrar of Companies, all such returns as are required of the Company under the Section 166(d) of the Mauritius Companies Act 2001 for the year ended March 31,2023.



For *IQ EQ Corporate Services (Mauritius) Ltd*

**Company Secretary**

**Date:** 30 June 2023

**IQ EQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port-Louis, 11324, Mauritius**

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Incorporated in Mauritius No: BRN C09004928

## **Independent Auditor's Report**

## **Independent auditor's report to the Shareholder of Airtel Africa Mauritius Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of **Airtel Africa Mauritius Limited** (the "Company") set out on pages 8 to 27, which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, and of its financial performance and cash flows for the year then ended in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Global Business Licence companies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of matter - Basis of preparation**

We draw attention to note 2.1 to the financial statements, which describes the basis of preparation of the financial statements in accordance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Global Business Licence companies. Our opinion is not modified in respect of this matter.

#### **Other information**

The directors are responsible for the other information. The other information comprises the Corporate Information, the Commentary of the Directors and the Certificate from the Secretary, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of directors for the financial statements**

The directors are responsible for the preparation and fair presentation of the financial statements in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Global Business Licence companies and they are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

#### **Auditor's responsibilities for the audit of the financial statements**

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

**Independent auditor's report to the Shareholder of  
Airtel Africa Mauritius Limited (Continued)**

**Auditor's responsibilities for the audit of the financial statements (Continued)**

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on other legal and regulatory requirements**

*Mauritius Companies Act 2001*

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Company other than in our capacity as auditor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

**Use of this report**

This report is made solely to the Company's shareholder, as a body, in accordance with the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to the Company's shareholder in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.



**Deloitte**

**Chartered Accountants**

12 July 2023



**Vishal Agrawal, FCA**

**Licensed by FRC**



**Airtel Africa Mauritius Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
*(All amounts are in United States Dollars - 'USD)*

	Notes	For the year ended	
		March 31, 2023	March 31, 2022
<b>Income</b>			
Dividend income		109,044,636	94,729,896
		<b>109,044,636</b>	<b>94,729,896</b>
<b>Expenses</b>			
Finance costs	5	10,930,942	4,591,092
Other operating expenses	6	102,123	127,225
		<b>11,033,065</b>	<b>4,718,317</b>
<b>Profit before tax</b>		<b>98,011,571</b>	<b>90,011,579</b>
Tax expense	7	800,000	1,000,260
<b>Profit for the year</b>		<b>97,211,571</b>	<b>89,011,319</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>97,211,571</b>	<b>89,011,319</b>

The accompanying notes 1 to 17 form an integral part of these Financial Statements.

Approved by the Board of Directors on June 30, 2023 and signed on its behalf by:



**Savinilorna Payandi Pillay Ramen**

**Director**



**Mukesh Hassanand Bhavnani**

**Director**


**Airtel Africa Mauritius Limited**  
**Statement of Financial Position**  
*(All amounts are in United States Dollars - 'USD')*

	Notes	As of	
		March 31, 2023	March 31, 2022
<b>ASSETS</b>			
<b>Non-current asset</b>			
Investment in subsidiary	8	2,250,926,979	2,250,926,979
		<b>2,250,926,979</b>	<b>2,250,926,979</b>
<b>Current asset</b>			
Cash and cash equivalents	9	16,794	77,889
		<b>16,794</b>	<b>77,889</b>
<b>Total assets</b>		<b>2,250,943,773</b>	<b>2,251,004,868</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10	2,105,183,804	2,105,183,804
Retained earnings		(114,076,495)	(211,288,066)
<b>Total equity</b>		<b>1,991,107,309</b>	<b>1,893,895,738</b>
<b>Current liabilities</b>			
Borrowings	11	238,380,503	341,582,790
Other payables	12	19,655,701	14,526,080
Current tax liabilities		1,800,260	1,000,260
<b>Total liabilities</b>		<b>259,836,464</b>	<b>357,109,130</b>
<b>Total equity and liabilities</b>		<b>2,250,943,773</b>	<b>2,251,004,868</b>

The accompanying notes 1 to 17 form an integral part of these Financial Statements.

Approved by the Board of Directors on June 30, 2023 and signed on its behalf by:

  
**Savinilorna Payandi Pillay Ramen**  
**Director**

  
**Mukesh Hassanand Bhavnani**  
**Director**

**Airtel Africa Mauritius Limited**  
**Statement of Changes in Equity**  
*(All amounts are in United States Dollars - 'USD')*

	Share capital		Retained earnings	Total equity
	No. of shares	Amount		
<b>As of April 1, 2021</b>	<b>2,105,183,804</b>	<b>2,105,183,804</b>	<b>(300,299,385)</b>	<b>1,804,884,419</b>
Profit for the year	-	-	89,011,319	89,011,319
<b>Total comprehensive income</b>	-	-	<b>89,011,319</b>	<b>89,011,319</b>
<b>As of March 31, 2022</b>	<b>2,105,183,804</b>	<b>2,105,183,804</b>	<b>(211,288,066)</b>	<b>1,893,895,738</b>
Profit for the year	-	-	97,211,571	97,211,571
<b>Total comprehensive income</b>	-	-	<b>97,211,571</b>	<b>97,211,571</b>
<b>As of March 31, 2023</b>	<b>2,105,183,804</b>	<b>2,105,183,804</b>	<b>(114,076,495)</b>	<b>1,991,107,309</b>

The accompanying notes 1 to 17 form an integral part of these Financial Statements.

Approved by the Board of Directors on June 30, 2023 and signed on its behalf by:



**Savinilorna Payandi Pillay Ramen**

**Director**



**Mukesh Hassanand Bhavnani**

**Director**

**Airtel Africa Mauritius Limited**  
**Statement of Cash Flows**  
*(All amounts are in United States Dollars - 'USD')*

	For the year ended	
	March 31, 2023	March 31, 2022
<b>Cash flow from operating activities</b>		
Profit before tax	98,011,571	90,011,579
<b>Adjustments for:</b>		
Finance costs	10,930,942	4,591,092
Operating cash flows before changes in assets and liabilities	108,942,513	94,602,671
<b>Changes in assets and liabilities :</b>		
Other payables	325	325
<b>Net cash generated from operations before tax</b>	108,942,838	94,602,996
Income tax paid	-	-
<b>Net cash generated from operating activities (a)</b>	<b>108,942,838</b>	<b>94,602,996</b>
<b>Cash flow from investing activities</b>		
<b>Net cash generated from investing activities (b)</b>	-	-
<b>Cash flow from financing activities</b>		
Interest on borrowings and other finance charges	(5,801,646)	(3,326,384)
Repayments of borrowings (net)	(103,202,287)	(91,205,308)
<b>Net cash used in financing activities (c)</b>	<b>(109,003,933)</b>	<b>(94,531,692)</b>
<b>Net (decrease) / increase in cash and cash equivalents during the year (a)+(b)+(c)</b>	<b>(61,095)</b>	<b>71,304</b>
Cash and Cash Equivalents as at the beginning of the year	77,889	6,585
<b>Cash and cash equivalents as at the end of the year</b>	<b>16,794</b>	<b>77,889</b>

The accompanying notes 1 to 17 form an integral part of these Financial Statements.

Approved by the Board of Directors on June 30, 2023 and signed on its behalf by:



**Savinilorna Payandi Pillay Ramen**

**Director**



**Mukesh Hassanand Bhavnani**

**Director**

## **1. CORPORATE INFORMATION**

Airtel Africa Mauritius Limited ('the Company') is domiciled and incorporated, on June 28, 2018, in Mauritius under the Mauritius Companies Act 2001 as a private Company limited by shares. The Company has been issued a Global Business License. The registered office of the Company is situated at 33 Edith Cavell Street, Port Louis, 11324, Republic of Mauritius.

The Company is principally engaged in investment holding activity. The Financial Statements are authorised for issue by the Company's Board of Directors on the date stamped on page 8.

The Company is a wholly owned subsidiary of Network i2i Limited, a Company domiciled and incorporated in Mauritius. Bharti Airtel Limited, the intermediate parent Company, is incorporated in India and its equity shares are listed on the National Stock Exchange of India Limited and the BSE Limited.

### **2.1 BASIS OF PREPARATION**

The Financial Statements have been prepared in accordance with the Mauritius Companies Act 2001 for companies holding a Global Business Licence ('GBL'). The Directors have considered the exemption available under Section 12 of the Fourteenth Schedule of the Mauritius Companies Act 2001. The Company has not prepared group Financial Statements as required by IFRS 10 - Consolidated Financial Statements, and these Financial Statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards ('IFRS') on a stand-alone basis.

The Financial Statements are presented in United States Dollars ("USD"), which is the Company's functional currency.

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are described in note no 4.

The accounting policies as set out in note 2.2 of the notes to the Financial Statements, have been consistently applied, by the Company, to all the periods presented in the said Financial Statements, except in case of adoption of any new standards and amendments during the year.

## **2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Financial instruments**

#### **a) Recognition, classification and presentation**

The financial instruments are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the financial instrument.

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

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

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

Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the Statement of Financial Position, 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 off-market financial guarantee) at its fair value plus, in the case of a financial instruments not at FVTPL, transaction costs. Otherwise transaction costs are expensed in the statement of profit or loss. Any off-market financial guarantees, issued in relation to obligations of subsidiaries, are initially recognised at fair value (as part of the cost of the investment in the subsidiary).

##### **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**

Financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;

## **2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **i. Financial assets measure at amortised cost (continued)**

- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are measured subsequently at fair value through other comprehensive income
- all other debt investments and equity investments are measured subsequently at FVTPL.

### **ii. Financial assets at FVTPL**

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

### **iii. Amortised cost and effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts, including all fees and points paid or received that form an integral part of effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses ('ECL'), to the amortised cost of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including ECL, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

### **iv. Impairment of financial assets**

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



**2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**iv. Impairment of financial assets (continued)**

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

**v. Derecognition of financial assets**

The financial assets are de-recognised from the Statement of Financial Position when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The resultant impact of derecognition is recognised in profit or loss.

**III. Subsequent measurement - financial liabilities**

**i. Financial liabilities measured at amortised cost**

Any off-market financial guarantees are amortised over the life of the guarantee and are measured at each reporting date at the higher of (i) the remaining unamortised balance of the amount at initial recognition and (ii) the best estimate of expenditure required to settle the obligation at the end of the reporting period. Other financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting / any transaction costs is significant).

**ii. Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the interest rate, transaction costs and other premium or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**iii. Derecognition of financial liabilities**

The financial liabilities are de-recognised from the statement of financial position when the underlying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released.

**c) Measurement - derivative financial instruments**

Derivative financial instruments are classified as financial instruments at FVTPL. Such derivative financial instruments are initially recognised at fair value. They are subsequently measured at their fair value, with changes in fair value being recognised in the statement of profit and loss within other income / finance costs.

**B. Investment in subsidiary**

The Company recognises its investment in subsidiary at cost less any impairment losses. The said investment is tested for impairment whenever circumstances indicate that its carrying value may exceed the recoverable amount (viz. higher of fair value less costs to sell and the value-in-use).



## **2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **C. Foreign currency transactions**

#### **a) Functional currency**

The Financial Statements are presented in United States Dollars ('USD') which is the functional and presentation currency of the Company.

#### **b) Transactions and balances**

Transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of 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 profit or loss within finance costs / other 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 profit or 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.

### **D. Cash and cash equivalents**

The Company's cash and cash equivalents comprise of cash at bank.

### **E. Taxes**

The income tax expense comprises of current and deferred income tax. Income tax is recognised in profit or 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.

#### **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 Statement of Financial Position as current tax asset / current tax liabilities.

## **2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Current tax (continued)**

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

### **Deferred tax**

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

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

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

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

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

Income tax assets and liabilities are set-off against each other and the resultant net amount is presented in the Statement of Financial Position, if and only when, (a) the Company currently has a legally enforceable right to set-off 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 interim to settle the current income tax balances on net basis.

**2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**F. Provisions**

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

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, 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 unwinding of discount over passage of time is recognised within finance costs.

**G. Share capital**

Proceeds from issuance of ordinary shares are recognised as share capital in equity.

**H. Expense recognition**

Expenses are accounted on accrual basis.

**I. Revenue recognition**

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

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

**J. Related parties**

Related parties are companies which have the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial and operating policy decisions.

**3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)**

**3.1 New and revised IFRSs applied with no material effect on the Financial Statements**

The accounting policies adopted are consistent with those of the previous financial year except for adoption of the following standards and interpretation effective from the current year. The adoption of these interpretations did not have a material impact on the Financial Statements.

S. No.	Improvements/ Amendments to Standards	Effective date- annual periods beginning on or after
1.	IAS 37 Provisions, Contingent Liabilities and Contingent Assets- Onerous Contracts- Cost of Fulfilling a Contract	January 1, 2022
2.	IFRS 3 Business Combinations- Reference to the Conceptual Framework	January 1, 2022
3.	IAS 16 Property, Plant and Equipment- Proceeds before Intended Use	January 1, 2022
4.	IFRS 16 Leases and IFRS 9 Financial Instruments- Annual Improvements to IFRS Standards 2018–2020	January 1, 2022

**3.2 New and revised Standards in issue but not yet effective**

At the date of authorisation of these financial statements, the following relevant Standards and Interpretations were in issue but effective for annual periods beginning on or after the respective dates as indicated:

S. No.	Improvements/ Amendments to Standards	Effective date- annual periods beginning on or after
1.	IAS 1 Amendments regarding the disclosure of accounting policies	January 1, 2023
2.	IAS 1 Presentation of Financial Statements- Classification of Liabilities as Current or Non-current	January 1, 2024
3.	IAS 1 Presentation of Financial Statements- Classification of debt with covenants	January 1, 2024
4.	IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors- Definition of Accounting Estimates	January 1, 2023
5.	IAS 12 Income Taxes- Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
6.	IAS 12 Income Taxes- Amendments regarding deferred tax on leases and decommissioning obligations	January 1, 2023
7.	IAS 12 Income Taxes- Amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 1, 2023

The Directors anticipate that these amendments will be applied in the Company's Financial Statements for the annual periods beginning on the respective dates as indicated above. The Directors have not yet assessed the potential impact of the application of these amendments.

#### **4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS**

##### **Significant accounting judgements in applying the Company's accounting policies**

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the Financial Statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

##### **Judgements**

In the process of applying the Company's accounting policies, which are described in Note 2.2, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the Financial Statements.

##### **Impairment reviews**

The Company conducts impairment reviews of investment in subsidiary whenever events or changes in circumstances indicate that its carrying amounts may not be recoverable. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use based on future cash flows, after taking into account past experience and management's best estimate about future developments. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on existing market conditions as well as forward looking estimates at the end of each reporting period.

**Airtel Africa Mauritius Limited**  
**Notes to Financial Statements**  
*(All amounts are in United States Dollars - 'USD'; unless stated otherwise)*

**5. Finance costs**

	For the year ended	
	March 31, 2023	March 31, 2022
Interest on borrowings (refer note 11 and 13)	10,927,012	4,587,399
Bank charges	3,930	3,693
	<b>10,930,942</b>	<b>4,591,092</b>

**6. Other operating expenses**

	For the year ended	
	March 31, 2023	March 31, 2022
Legal and professional fees	96,748	121,850
Audit fees	5,375	5,375
	<b>102,123</b>	<b>127,225</b>

**7. Tax expense**

The Financial Services Commission ("FSC") issued a Category 1 Global Business Licence ("GBL1") to the Company on June 29, 2018. Due to changes made by the Finance (Miscellaneous Provisions) Act 2018 ("FMPA 2018") to the Financial Services Act ("FSA"), effective from January 1, 2019, the FSC is no longer empowered to issue a GBL1. Instead, the FSC may issue a Global Business Licence ("GBL") if a company satisfies certain conditions. The Company is deemed to hold a GBL from July 1, 2021 under section 96A(1)(b) of the FSA.

With effect from July 1, 2021, the Company is not allowed to compute its foreign tax according to a presumed amount of 80% of the Mauritian tax of the relevant foreign sourced income; also transactions with GBL corporations and non-residents are not being necessarily considered to be foreign sourced income. Further, w.e.f. January 1, 2019, the Company may apply 80% exemption on its foreign dividend income, interest income and profits from foreign permanent establishments equivalent to 80% of the relevant foreign sourced income, subject to meeting the conditions that have been prescribed in the Income Tax Act, 1995 and its Regulation. It is however not mandatory to apply the 80% exemption; the Company may apply the credit system if it so wishes. For the year ended March 31, 2023 and March 31, 2022, the Company has claimed foreign tax credit.

A reconciliation between the accounting profit and the tax charge is as follows:

	For the year ended	
	March 31, 2023	March 31, 2022
Profit before tax	98,011,571	90,011,579
Tax expense at 15%	14,701,736	13,501,737
Expenses not allowed	4,143,087	2,768,979
Foreign tax credit claimed	(18,044,823)	(15,270,456)
<b>Income tax expense</b>	<b>800,000</b>	<b>1,000,260</b>



**Airtel Africa Mauritius Limited**  
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**8. Investment in subsidiary**

	As of	
	March 31, 2023	March 31, 2022
Investment in Airtel Africa Plc, at cost	2,250,926,979	2,250,926,979
	<b>2,250,926,979</b>	<b>2,250,926,979</b>

Name of Company	Country of incorporation	Principal activity	Proportion (%) of ownership interest
Airtel Africa plc	United Kingdom	Investment holding	56.01 % (March 31, 2022: 56.01%)

**9. Cash and cash equivalents**

	As of	
	March 31, 2023	March 31, 2022
Balance with bank	16,794	77,889
	<b>16,794</b>	<b>77,889</b>

The bank balance is assessed to have a low credit risk as it is held with a reputable bank. No ECL provision has been recognised in respect of this amount as it is not material.

**10. Share Capital**

	As of	
	March 31, 2023	March 31, 2022
<b>Issued and fully paid:</b>		
2,105,183,804 ordinary shares of shares of USD 1 each (March 31, 2022: 2,105,183,804 ordinary shares of USD 1 each)	2,105,183,804	2,105,183,804
	<b>2,105,183,804</b>	<b>2,105,183,804</b>

**a) Terms/rights attached to equity shares**

The Company has only one class of equity shares having par value of USD 1 per share. The holder of the equity share is entitled to dividend right and voting right in the same proportion as the capital paid-up on such equity share bears to the total paid-up equity share capital of the Company. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

**Airtel Africa Mauritius Limited**  
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**10. Share Capital (continued)**

**b) Details of shareholder**

	As of			
	March 31, 2023		March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of USD 1 each fully paid Network ZI limited	2,105,183,804	100%	2,105,183,804	100%

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

	For the year ended			
	March 31, 2023		March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	2,105,183,804	2,105,183,804	2,105,183,804	2,105,183,804
Issued during the year	-	-	-	-
Outstanding at the end of the year	2,105,183,804	2,105,183,804	2,105,183,804	2,105,183,804

**11. Borrowings**

	As of	
	March 31, 2023	March 31, 2022
	<b>Unsecured</b>	
Loan from parent company (refer note 13)	238,380,503	341,582,790
	<b>238,380,503</b>	<b>341,582,790</b>

The above loan is interest-bearing, at an average rate of 3.94625% and 1.17341% for March 31, 2023 and March 31, 2022 being the Inter-bank Offered Rate ("LIBOR") for the three-month period plus 100 basis points and is repayable on demand. Further, the interest charged on the above loan is USD 10,927,012 and USD 4,587,399 for the year ended March 31, 2023 and March 31, 2022, respectively. The Company will use the practical expedient introduced by Interest Rate Benchmark Reform - Phase 2 amendments, which will allow the Company to change the basis for determining the contractual cash flows prospectively by revising the effective interest rate.

**12. Other payables**

	As of	
	March 31, 2023	March 31, 2022
	Audit fees	6,350
Interest payable to parent company (refer note 13)	19,649,351	14,520,055
	<b>19,655,701</b>	<b>14,526,080</b>

The amount due to related party is unsecured and repayable on demand. The amount is expected to be settled in cash.



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**Notes to Financial Statements**  
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**13. RELATED PARTY DISCLOSURES**

Details of the nature, volume of transactions and balances with these related entities were as follows:

List of related parties	Relationship
Network i2i Limited	Parent company
Bharti Airtel Limited	Intermediate parent entity
Bharti Enterprises (Holding) Private Limited	Ultimate controlling entity
Airtel Africa plc	Subsidiary
IQ EQ Corporate Services Mauritius Ltd	Local management company and Company Secretary

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

The balances of the above mentioned related parties are as follows:

As of March 31, 2023

	<u>Network i2i Limited</u>
Loan payable	238,380,503
Interest payable	19,649,351

As of March 31, 2022

	<u>Network i2i Limited</u>
Loan payable	341,582,790
Interest payable	14,520,055

The Significant related party transactions are mentioned below:

For the year ended March 31, 2023:

Nature of transactions	Network i2i Limited	Airtel Africa plc	IQ EQ Corporate Services Mauritius Ltd
<b>Transactions</b>			
Repayment of borrowings (net)	103,202,287	-	-
Interest expense on borrowings	10,927,012	-	-
Dividend received	-	109,044,636	-
Legal & professional charges	-	-	13,450

For the year ended March 31, 2022:

Nature of transactions	Network i2i Limited	Airtel Africa plc	IQ EQ Corporate Services Mauritius Ltd
<b>Transactions</b>			
Repayment of borrowings (net)	91,205,308	-	-
Interest expense on borrowings	4,587,399	-	-
Dividend received	-	94,729,856	-
Legal & professional charges	-	-	12,600

#### 14. Financial Risk Management Objectives and policies

##### Financial risk factors

In the normal course of business, the Company is exposed to interest rate risk, credit risk and liquidity risk. The risk management strategy with respect to these risks excludes trading in derivatives.

The Board of Directors has overall responsibility for establishment and oversight for the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

##### a) Interest rate risk

The Company's interest rate risk arises mainly from borrowings as follows:

	Increase / decrease (basis points)	Effect on profit before tax
<b>For the year ended March 31, 2023</b>		
US dollar - borrowings	+20	476,761
	-20	(476,761)
<b>For the year ended March 31, 2022</b>		
US dollar - borrowings	+20	683,166
	-20	(683,166)

##### b) Credit risk

Credit risk is the risk of financial loss to the Company if or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

At the reporting date, the Company's financial assets maximum exposure to credit risk amounted to the following:

	Note	Gross carrying amount	Loss allowance	Net carrying amount
<b>As of March 31, 2023</b>				
Cash and cash equivalents	9	16,794	-	16,794
<b>As of March 31, 2022</b>				
Cash and cash equivalents	9	77,889	-	77,889

##### c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price.

**Airtel Africa Mauritius Limited**  
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**14. Financial Risk Management Objectives and policies (continued)**

In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance its operations and mitigate the effects of fluctuations in cash flows.

	Carrying amount	On demand	Within 1 year	Total
Interest bearing borrowings*	258,029,854	258,029,854	-	258,029,854
Other liabilities*	6,350	-	6,350	6,350
	<u>258,036,204</u>	<u>258,029,854</u>	<u>6,350</u>	<u>258,036,204</u>

	Carrying amount	On demand	Within 1 year	Total
Interest bearing borrowings*	356,102,845	356,102,845	-	356,102,845
Other liabilities*	6,025	-	6,025	6,025
	<u>356,108,870</u>	<u>356,102,845</u>	<u>6,025</u>	<u>356,108,870</u>

\*Interest accrued has been included in interest bearing borrowings and excluded from other liabilities.

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

	Non Cash changes			March 31, 2023
	April 1, 2022	Cash Flows	Interest Expenses	
Borrowings	341,582,790	(103,202,287)	-	238,380,503
Interest accrued	14,520,055	(5,801,646)	10,930,942	19,649,351

	Non Cash Changes			March 31, 2022
	April 1, 2021	Cash Flows	Interest Expenses	
Borrowings	432,788,098	(91,205,308)	-	341,582,790
Interest accrued	13,255,347	(3,326,384)	4,591,092	14,520,055

**d) Capital management**

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder's value.

**Airtel Africa Mauritius Limited**  
**Notes to Financial Statements**  
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**14. Financial Risk Management Objectives and policies (continued)**

The Company considers its equity as capital and manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholder, return capital to the shareholder or issue new shares. The details of equity is as follows:

	As of	
	March 31, 2023	March 31, 2022
Borrowings	238,380,503	341,582,790
Cash and cash equivalents	(16,794)	(77,889)
<b>Net debt</b>	<b>238,363,709</b>	<b>341,504,901</b>
<b>Equity</b>	<b>1,991,107,309</b>	<b>1,893,895,738</b>
Capital and net debt	2,229,471,018	2,235,400,639
Gearing ratio	11%	15%

**15. Fair value of financial assets and liabilities**

	Carrying value as of		Fair value as of	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Financial Assets</b>				
<i>Amortised cost</i>				
Cash and cash equivalents	16,794	77,889	16,794	77,889
	<b>16,794</b>	<b>77,889</b>	<b>16,794</b>	<b>77,889</b>
<b>Financial Liabilities</b>				
<i>Amortised cost</i>				
Loan from parent company	238,380,503	341,582,790	238,380,503	341,582,790
Other payables	19,655,701	14,526,080	19,655,701	14,526,080
	<b>258,036,204</b>	<b>356,108,870</b>	<b>258,036,204</b>	<b>356,108,870</b>

**16. Events after reporting date**

There were no significant events after the reporting date which require amendments and / or disclosure to the Financial Statements.

**17. Going concern**

As at March 31, 2023, the Company had net current liabilities of USD 259,819,670 (March 31, 2022: USD 357,031,241). The Financial Statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued financial support of the intermediate parent company; Bharti Airtel Limited. The Directors are of the opinion that this support will be forthcoming over the next twelve months and therefore believe that it is appropriate for the Financial Statements to be prepared on a going concern basis.