



BHARTI AIRTEL AFRICA B.V.

Special Purpose Ind AS Standalone Financial Statements for the year ended 31 March 2023

Bharti Airtel Africa B.V.

Ind AS Standalone Financial Statements – 31 March 2023

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Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of Bharti Airtel Africa 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 Africa B.V. ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and Standalone 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 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) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 Institute of Chartered Accountants of India (ICAI) together with the independence and ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 (the "Act") and the Rules made thereunder, and we have fulfilled our other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the special purpose Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 2.1 to the special purpose Ind AS financial statements, which describes the purpose and basis of accounting. 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 the Companies Act 2013. As a result, the special purpose Ind AS financial statements may not be suitable for another purpose. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties. Our opinion is not modified in respect of this matter.

Management's Responsibility for the Special Purpose 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 basis and for the purpose stated in Note 2.1 to the special purpose Ind AS financial statements.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

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

Auditor's Responsibilities for the Audit of the Special Purpose 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.
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- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.
- Evaluate the overall presentation, structure and content of the Special purpose Ind AS financial statements, including the disclosures, and whether the Special purpose Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W- 100018)

sd-/

Nilesh H. Lahoti

Partner

(Membership No. 130054)

Place: Gurugram

Date: August 2, 2023

Ind AS Standalone Financial Statements

BHARTI AIRTEL AFRICA B.V.
Standalone Balance Sheet



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

| Particulars | Notes | As of | |
|-------------------------------------|-------|------------------|------------------|
| | | 31 March 2023 | 31 March 2022 |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 4 | - | - |
| Investment in subsidiaries | 5 | 60,302 | 60,302 |
| Financial assets | | | |
| - Loans | 6 | 4,204,478 | 4,499,528 |
| - Others | 7 | 2,953 | 2,953 |
| | | 4,267,733 | 4,562,783 |
| Current assets | | | |
| Financial assets | | | |
| - Cash and cash equivalents | 8 | 89 | 86 |
| - Others | 9 | 3,141 | 3,157 |
| Other current assets | 10 | - | - |
| | | 3,230 | 3,243 |
| Total Assets | | 4,270,963 | 4,566,026 |
| Equity and liabilities | | | |
| Equity | | | |
| Share capital | 11 | 557 | 557 |
| Other equity | | 1,189,818 | 1,000,919 |
| | | 1,190,375 | 1,001,476 |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| - Borrowings | 12 | 2,802,219 | 3,244,345 |
| | | 2,802,219 | 3,244,345 |
| Current liabilities | | | |
| Financial liabilities | | | |
| - Trade payables | 13 | 191 | 138 |
| - Others | 14 | 278,178 | 320,067 |
| | | 278,369 | 320,205 |
| Total liabilities | | 3,080,588 | 3,564,550 |
| Total equity and liabilities | | 4,270,963 | 4,566,026 |

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

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

For and on behalf of the Management Board of
Bharti Airtel Africa B.V.

sd-/
Nilesh H. Lahoti
Partner
Membership No: 130054

sd-/
J.C Uneken – Van De Vreede
Director

sd-/
D. van Kootwijk
Director

sd-/
O.A. Ogunsanya
Director

Place: Gurugram
Date: August 02, 2023

Date: August 02, 2023



BHARTI AIRTEL AFRICA B.V.
Standalone Statement of Profit and Loss

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

| Particulars | Notes | For the year ended | |
|--|-------|--------------------|----------------|
| | | 31 March 2023 | 31 March 2022 |
| Income | | | |
| Dividend income | 16 | 364,437 | 225,498 |
| Finance income | 17 | 182,102 | 90,786 |
| | | 546,539 | 316,284 |
| Expenses | | | |
| Employee benefits expense | 18 | - | 28 |
| Other expenses | 19 | 272 | 86 |
| Depreciation | 4 | - | - |
| | | 272 | 114 |
| Profit before Finance cost, exceptional items and tax | | 546,267 | 316,170 |
| Finance costs | 20 | 150,663 | 81,066 |
| Profit before exceptional items and tax | | 395,604 | 235,104 |
| Exceptional items | | - | - |
| Profit before tax | | 395,604 | 235,104 |
| Tax expense | | | |
| Current tax | 21 | - | - |
| Profit after tax | | 395,604 | 235,104 |
| Other comprehensive income for the year | | - | - |
| Total comprehensive income for the year | | 395,604 | 235,104 |
| Earnings per share (face value: EUR 0.01 each) (In USD) | | | |
| Basic and diluted | | | |
| Ordinary shares | 24 | 7.15 | 4.25 |

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

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

**For and on behalf of the Management Board of
Bharti Airtel Africa B.V.**

sd-/

Nilesh H. Lahoti
Partner
Membership No: 130054

Place: Gurugram
Date: August 02, 2023

sd-/

J.C Uneken – Van De Vreede
Director

Date: August 02, 2023

sd-/

D. van Kootwijk
Director

sd-/

O.A. Ogunsanya
Director

BHARTI AIRTEL AFRICA B.V.
Standalone Statement of Changes in Equity

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

| Particulars | Share capital | | Other equity - Reserves and surplus | | | Total equity |
|-----------------------------------|---------------------------|------------|-------------------------------------|-------------------|------------------|------------------|
| | No of shares (in '000) | Amount | Share premium | Retained earnings | Total | |
| As at 01 April 2021 | 55,352,741 | 557 | 484,676 | 281,139 | 765,815 | 766,372 |
| Profit for the year | - | - | - | 235,104 | 235,104 | 235,104 |
| Total comprehensive profit | - | - | - | 235,104 | 235,104 | 235,104 |
| As at 31 March 2022 | 55,352,741 | 557 | 484,676 | 516,243 | 1,000,919 | 1,001,476 |
| Profit for the year | - | - | - | 395,604 | 395,604 | 395,604 |
| Dividend to shareholders | - | - | - | (206,705) | (206,705) | (206,705) |
| Total comprehensive profit | - | - | - | 188,899 | 188,899 | 188,899 |
| As at 31 March 2023 | 55,352,741 | 557 | 484,676 | 705,142 | 1,189,818 | 1,190,375 |

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

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

For and on behalf of the Management Board of Bharti Airtel Africa B.V.

sd-/

Nilesh H. Lahoti
Partner
Membership No: 130054

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D. van Kootwijk
Director

sd-/

O.A. Ogunsanya
Director

Place: Gurugram
Date: August 02, 2023

Date: August 02, 2023

BHARTI AIRTEL AFRICA B.V.
Standalone Cash Flow Statement

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



| Particulars | For the year ended | |
|---|--------------------|------------------|
| | 31 March 2023 | 31 March 2022 |
| Cash flows from operating activities | | |
| Profit before tax | 395,604 | 235,104 |
| Adjustments for: | | |
| Finance costs | 150,663 | 81,066 |
| Finance income | (182,061) | (90,786) |
| Dividend income | (364,437) | (225,498) |
| Operating cash flow before changes in working capital | (231) | (114) |
| Changes in working capital | | |
| Increase in trade payables | 50 | 24 |
| Decrease/ (Increase) in other financial assets | 16 | (16) |
| Increase in other financial liabilities | 16 | 314 |
| Net cash used in operating activities (a) | (149) | 208 |
| Cash flows from investing activities | | |
| Dividend received | 364,437 | 225,498 |
| Loan given to subsidiaries | (47,814) | (6,370) |
| Loan repayment by subsidiaries | 525,378 | 631,710 |
| Net cash generated from investing activities (b) | 842,001 | 850,838 |
| Cash flows from financing activities | | |
| Net repayment to related parties | (11,204) | (42,228) |
| Proceeds from borrowings | - | 1,000 |
| Repayment of borrowings | (623,941) | (809,756) |
| Dividend paid | (206,705) | - |
| Net cash used in financing activities (c) | (841,849) | (850,984) |
| Net increase in cash and cash equivalents during the year (a+b+c) | 3 | 62 |
| Add : Cash and cash equivalents as at the beginning of the year | 86 | 24 |
| Cash and cash equivalents as at the end of the year (Refer note 8) | 89 | 86 |

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

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

**For and on behalf of the Management Board of
Bharti Airtel Africa B.V.**

sd-/

sd-/

sd-/

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Nilesh H. Lahoti
Partner
Membership No: 130054

J.C Uneken – Van De Vreede
Director

D. van Kootwijk
Director

O.A. Ogunsanya
Director

Place: Gurugram
Date: August 02, 2023

Date: August 02, 2023

1. Corporate information

Bharti Airtel Africa B.V. Limited ('the Company'), incorporated on January 13, 1998, is registered in The Netherlands and has its registered office at Overschiestraat 65, 1062 XD Amsterdam, The Netherlands. The principal activity of the Company is that of an investment and holding company.

The Company's parent company is Bharti Airtel International (Netherlands) B.V. a company incorporated in The Netherlands and intermediate parent company is Airtel Africa plc, a company incorporated in the United Kingdom.

2. Summary of significant accounting policies**2.1 Basis of preparation**

These special purpose Ind AS financial statements ('Financial Statements') have been prepared in accordance with the measurement and recognition principles of 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 (as amended from time to time) and other relevant provisions of the Act, except certain disclosures required by the Companies Act 2013 and Ind AS (these Financial Statements are not statutory financial statements, full compliance with the above Act is not required). The special purpose Financial Statements have been prepared solely to assist Bharti Airtel Limited (the ultimate parent company) to comply with requirements under section 136 of the Companies Act, 2013 and annual performance report with the regulatory authorities in India.

The preparation of the 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 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.

These Financial Statements are not statutory financial statements as per Dutch Law. The statutory audit of the financial statements of the Company as per Dutch Law is in progress. All the amounts included in the Financial Statements are reported in United States dollars, with all values rounded to the nearest thousands except when otherwise indicated. Further, amounts which are less than half a thousand are appearing as '0'.

2.2 Basis of measurement

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

Fair value measurement

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants. The Company's accounting policies require measurement of certain financial/non-financial assets and liabilities at fair value (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed. 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 relevant 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 comprehensive income 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) – with the resulting foreign exchange difference, on subsequent re-statement/settlement, recognised in the 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 exchange rate.

2.4 Current versus non-current classification

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

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 12 months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

A liability is classified as current when it is expected to be settled in the normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within 12 months after the reporting period, or where there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

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 is initially recognized 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.

Subsequent to initial recognition, PPE is stated at cost less accumulated depreciation and any impairment losses. When significant parts of PPE are required to be replaced at regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is derecognized from the balance sheet and cost of the new item of PPE is recognised.

The expenditures that are incurred after an 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 in which the said expenditure can be measured reliably and it 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 for different categories of PPE as follows:

| Categories | Years |
|--|---|
| Leasehold improvement | Period of lease or 10 years, as applicable, whichever is less |
| Computer equipment & Furniture & fixtures and office equipment | 1 – 5 |

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

2.7 Impairment of non-financial assets

a. Property, plant and equipment, right-of-use assets and intangible assets

At each reporting period date, the Company reviews the carrying amounts of its PPE and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. 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 CGU level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognized 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.

b. Reversal of impairment losses

Impairment losses on the above-mentioned items are reversed in the statement of profit and loss 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/CGU in previous years.

2.8 Financial instruments**a. Recognition, classification and presentation**

Financial instruments are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial instruments at initial recognition. The Company classifies its financial assets in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss);
- 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 non-derivative financial liabilities as measured at amortised cost.

Financial assets and liabilities arising from different transactions are offset 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**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

II. Subsequent measurement – financial assets

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

• 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.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

• 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 fair value through other comprehensive income (FVTOCI) are measured at FVTPL. Interest (basis EIR method) and dividend income from financial assets at FVTPL is recognised in the profit and loss within finance income separately from the other gains/losses arising from changes in the fair value.

Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, 12 month expected credit loss (ECL) is used to provide for impairment loss; otherwise lifetime ECL is used. However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

III. Subsequent measurement – financial liabilities

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

c. Derecognition

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

2.9 Taxes

The income tax expense comprises of current 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.

Current tax

The Company forms a fiscal unity for VAT and Corporate Income Tax purposes with Bharti Airtel International (Netherlands) B.V. Consequently, the Company is jointly and severally liable for the taxes payable by the fiscal unity.

2.10 Cash and cash equivalents

Cash and cash equivalents for the purpose of balance sheet and statement of cash flows include cash at bank.

2.11 Share capital/share premium

Ordinary shares are classified as equity when the Company has an unconditional 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. A share premium account is used to record the premium on issue of shares. The shareholders also provide capital contributions without issue of equity shares which are presented as share premium.

2.12 Employee benefits

The Company's employee benefits mainly include salaries. The employee benefits are recognised in the period in which the associated services are rendered by the Company's employees.

2.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, when 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.

2.14 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.

2.15 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.

a) Interest income

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

b) Dividend income

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

2.16 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.

2.17 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.

2.18 Dividends to shareholders

Dividend to shareholders is recognised as a liability and deducted from equity, in the year in which the dividends are approved by the shareholders. However, interim dividends declared by the Board of directors, which does not need shareholders' approval, are recognised as a liability and deducted from retained earnings, in the year in which the dividends are so declared.

2.19 Investment in subsidiaries

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

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. Key sources of estimation uncertainties and Critical judgements

The estimates and judgements used in the preparation of the said financial statements are continuously valued 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 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.

3.1 Key sources of estimation uncertainties

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below:

Impairment reviews

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

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BHARTI AIRTEL AFRICA B.V.
Notes to Standalone Financial Statements for the year ended 31 March 2023

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

4. 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 31 March 2023 and 31 March 2022:

| Particulars | Leasehold improvement | Computer, office equipment and furniture and fixtures | Total |
|---------------------------------|-----------------------|---|---------------|
| Gross block | | | |
| As at 01 April 2021 | 973 | 22,858 | 23,831 |
| Additions | - | - | - |
| As at 31 March 2022 | 973 | 22,858 | 23,831 |
| Additions | - | - | - |
| As at 31 March 2023 | 973 | 22,858 | 23,831 |
| Accumulated depreciation | | | |
| As at 01 April 2021 | 973 | 22,858 | 23,831 |
| Charge for the year | - | - | - |
| As at 31 March 2022 | 973 | 22,858 | 23,831 |
| Charge for the year | - | - | - |
| As at 31 March 2023 | 973 | 22,858 | 23,831 |
| Net carrying amount | | | |
| As at 31 March 2022 | - | - | - |
| As at 31 March 2023 | - | - | - |

BHARTI AIRTEL AFRICA B.V.
Notes to Standalone Financial Statements for the year ended 31 March 2023

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

5. Investment in subsidiaries

| Investment in subsidiaries | As of | |
|---|----------------------|----------------------|
| | 31 March 2023 | 31 March 2022 |
| Investment in equity instruments (Un-quoted) | | |
| Indian Ocean Telecom Limited: 2,500,000 (31 March 2022 - 2,500,000) ordinary shares of USD 1 each | 59,986 | 59,986 |
| Bharti Airtel Mali Holdings B.V.: 18,000 (31 March 2022 - 18,000) ordinary shares of EUR 1 each | 16 | 16 |
| Bharti Airtel Kenya Holdings B.V.: 18,000 (31 March 2022 - 18,000) ordinary shares of EUR 1 each | 16 | 16 |
| Bharti Airtel Uganda Holdings B.V.: 18,152 (31 March 2022 - 18,152) ordinary shares of EUR 1 each | 21 | 21 |
| Bharti Airtel Zambia Holdings B.V.: 18,152 (31 March 2022 - 18,152) ordinary shares of EUR 1 each | 21 | 21 |
| Bharti Airtel Tanzania B.V.: 18,152 (31 March 2022 - 18,152) ordinary shares of EUR 1 each | 23 | 23 |
| Bharti Airtel Malawi Holdings B.V.: 18,152 (31 March 2022 - 18,152) ordinary shares of EUR 1 each | 21 | 21 |
| Bharti Airtel RDC Holdings B.V.: 18,152 (31 March 2022 - 18,152) ordinary shares of EUR 1 each | 18 | 18 |
| Bharti Airtel Congo Holdings B.V.: 18,152 (31 March 2022 - 18,152) ordinary shares of EUR 1 each | 21 | 21 |
| Bharti Airtel Gabon Holdings B.V.: 18,152 (31 March 2022 - 18,152) ordinary shares of EUR 1 each | 21 | 21 |
| Bharti Airtel Chad Holdings B.V.: 18,152 (31 March 2022 - 18,152) ordinary shares of EUR 1 each | 18 | 18 |
| Bharti Airtel Niger Holdings B.V.: 18,152 (31 March 2022 - 18,152) ordinary shares of EUR 1 each | 16 | 16 |
| Bharti Airtel Nigeria Holdings II B.V.: 18,152 (31 March 2022 - 18,152) ordinary shares of EUR 1 each | 21 | 21 |
| Bharti Airtel Madagascar Holdings B.V.: 18,000 (31 March 2022 - 18,000) ordinary shares of EUR 1 each | 22 | 22 |
| Bharti Airtel Services B.V.: 18,152 (31 March 2022 - 18,152) ordinary shares of EUR 1 each | 21 | 21 |
| Bharti Airtel Rwanda Holdings Limited : 40,000 ordinary shares of USD 1 each | 40 | 40 |
| Total | 60,302 | 60,302 |

6. Financial assets – loans

| | As of | |
|--|------------------|------------------|
| | 31 March 2023 | 31 March 2022 |
| <u>Unsecured, considered good unless stated otherwise</u> | | |
| Loans to related parties ¹ (Refer note 26) | 4,955,774 | 5,250,824 |
| | 4,955,774 | 5,250,824 |
| Less : allowance for impairment of loans ² | (751,296) | (751,296) |
| | 4,204,478 | 4,499,528 |

¹Details of loans to related parties: -

(i) Loans to related parties includes USD 3,694 thousands loan drawn under an intercompany credit facility provided to Airtel (Seychelles) Limited at 3M LIBOR + 4.5% (3M LIBOR + 4.5% as at 31 March 2022). The loan is denominated in USD. There are no collaterals for this loan provided by the Company.

(ii) Loans to related parties include USD 1.445 billion loan drawn under an intercompany credit facility provided to Bharti Airtel Rwanda Holdings Limited, Bharti Airtel Tanzania B.V., Bharti Airtel Congo Holdings B.V., Bharti Airtel RDC Holdings B.V., Bharti Airtel Madagascar Holdings B.V. and Bharti Airtel Chad Holdings B.V. which are interest free. There are no collaterals for these loan provided by the Company.

(iii) Apart from the above, the Company has also provided intercompany loans amounting to USD 3.507 billion to some of its subsidiaries at 3M LIBOR + 2.25% (3M LIBOR + 2.25% as at 31 March 2022). The loans are denominated in USD. There are no collaterals for these loans provided by the Company.

²The Company has assessed the recoverability of loans given to its subsidiaries and basis this assessment, recorded an allowance for impairment for entities Bharti Airtel Kenya Holding B.V., Bharti Airtel Madagascar Holdings B.V. and Bharti Airtel Rwanda Holdings Limited.

7. Other financial assets

| | As of | |
|-------------------------------|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Receivable from related party | 2,953 | 2,953 |
| | 2,953 | 2,953 |

BHARTI AIRTEL AFRICA B.V.
Notes to Standalone Financial Statements for the year ended 31 March 2023

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

8. Cash and cash equivalents

| | As of | |
|-----------------------|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Balances with banks | | |
| - On current accounts | 89 | 86 |
| | 89 | 86 |

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

| | As of | |
|--|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Cash and cash equivalents as per balance sheet | 89 | 86 |
| | 89 | 86 |

9. Financial assets – others

| | As of | |
|---|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| <u>Unsecured, considered good</u> | | |
| Receivable from group companies (Refer note 26) | 3,141 | 3,157 |
| | 3,141 | 3,157 |

10. Other current assets

| | As of | |
|------------------------------------|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Advances to suppliers ¹ | - | - |
| | - | - |

¹Considering the uncertainty of recovery of the amount of the advance, the Company carries a provision against the outstanding amount.

| | As of | |
|---------------------------------------|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Advances to suppliers | 865 | 865 |
| Less: Provision for doubtful advances | (865) | (865) |
| | - | - |

BHARTI AIRTEL AFRICA B.V.
Notes to Standalone Financial Statements for the year ended 31 March 2023

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

11. Share Capital

| | As of | |
|---|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Authorized | | |
| 195,000,000 Ordinary shares (31 March 2022: 195,000,000 Ordinary shares) of EUR 0.01 each | 1,962 | 1,962 |
| | 1,962 | 1,962 |

| | As of | |
|---|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Issued, subscribed and fully paid-up shares | | |
| 55,352,741 Ordinary shares (31 March 2022: 55,352,741 Ordinary shares) of EUR 0.01 each | 557 | 557 |
| | 557 | 557 |

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

| | For the year ended 31 March 2023 | | For the year ended 31 March 2022 | |
|---|-------------------------------------|------------|-------------------------------------|------------|
| | No. | Amount | No. | Amount |
| Ordinary shares | | | | |
| At the beginning of the year | 55,352,741 | 557 | 55,352,741 | 557 |
| Issued during the year | - | - | - | - |
| Outstanding at the end of the year | 55,352,741 | 557 | 55,352,741 | 557 |

b) Terms/rights attached to equity shares

The Company has ordinary shares with a par value of EUR 0.01 per share. Each holder of ordinary shares is entitled to one vote per share.

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

| | As at 31 March 2023 | | As at 31 March 2022 | |
|---|------------------------|-----------|------------------------|-----------|
| | No of shares | % holding | No of shares | % holding |
| Ordinary shares of EUR 0.01 each fully paid up | | | | |
| Bharti Airtel International (Netherlands) B.V | 55,352,741 | 100% | 55,352,741 | 100% |

d) Dividend to shareholders

During the year ended 31 March 2023, the Company declared dividend amounting to USD 206.71 Mn to its shareholders.

BHARTI AIRTEL AFRICA B.V.
Notes to Standalone Financial Statements for the year ended 31 March 2023

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

12. Borrowings
Non-current

| | As of | |
|---|------------------|------------------|
| | 31 March 2023 | 31 March 2022 |
| Loans from related parties ¹ (Refer note 26) | 2,802,219 | 3,244,345 |
| | 2,802,219 | 3,244,345 |

¹The loan includes USD 2,802 Mn drawn under an intercompany credit facility taken by the Company at 3M LIBOR + 2% (3M LIBOR + 2% as at financial year end 31 March 2022) from its parent company, Bharti Airtel International (Netherlands) B.V. The credit facility is denominated in USD. There are no collaterals/securities for this facility and it has a limit of USD 6,500 Mn. The interest is capitalized and added to the loan balance on a quarterly basis.

13. Trade payables

| | As of | |
|------------------|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Accrued expenses | 191 | 138 |
| | 191 | 138 |

Trade Payables ageing as on March 31, 2023:

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|-------------|---|-----------|-----------|----------------------|------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| | Undisputed dues | 56 | 28 | 26 | |
| | 56 | 28 | 26 | 79 | 191 |

Trade Payables ageing as on March 31, 2022:

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|-------------|---|-----------|-----------|----------------------|------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| | Undisputed dues | 39 | 26 | 12 | |
| | 39 | 26 | 12 | 62 | 138 |

14. Other Financial liabilities

| | As of | |
|--|----------------|----------------|
| | 31 March 2023 | 31 March 2022 |
| Payable to related parties (Refer note 26) | 278,178 | 320,064 |
| Others | - | 3 |
| | 278,178 | 320,067 |

BHARTI AIRTEL AFRICA B.V.
Notes to Standalone Financial Statements for the year ended 31 March 2023

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

15. Contingencies
(i) Tax related matters

The Company forms a fiscal unity for Corporate Income Tax purposes with Bharti Airtel International (Netherlands) B.V. Consequently, the Company is jointly and severally liable for the taxes payable by the fiscal unity.

16. Dividend income

| | For the year ended | |
|-----------------|--------------------|----------------|
| | 31 March 2023 | 31 March 2022 |
| Dividend income | 364,437 | 225,498 |
| | 364,437 | 225,498 |

During the year ended 31 March 2023, the Company recognised dividend income of USD 87.05 Mn from Bharti Airtel Uganda Holdings B.V., USD 56.22 Mn from Bharti Airtel Zambia Holdings B.V., USD 95.83 Mn from Bharti Airtel Malawi Holdings B.V., USD 120 Mn from Bharti Airtel Nigeria Holdings II B.V. and USD 5.35 Mn from Indian Ocean Telecom Limited respectively.

During the year ended 31 March 2022, the Company recognised dividend income of USD 216.68 Mn and 8.82 from its subsidiaries Bharti Airtel Uganda Holdings B.V. and Indian Ocean Telecom Limited respectively.

17. Finance income

| | For the year ended | |
|---|--------------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Interest income on loans to related parties (Refer note 26) | 182,061 | 90,786 |
| Others | 41 | - |
| | 182,102 | 90,786 |

18. Employee benefit expenses

| | For the year ended | |
|---------------------------------|--------------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Salaries and bonus ¹ | - | 28 |
| | - | 28 |

¹Includes remuneration as at 31 March 2022: USD 28 thousands to key management personnel. (Refer note 25)

19. Other Expenses

| | For the year ended | |
|---|--------------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Legal and professional charges ¹ | 203 | 53 |
| Miscellaneous expenses | 69 | 33 |
| | 272 | 86 |

¹ Includes audit fees

20. Finance costs

| | For the year ended | |
|--|---------------------------|----------------------|
| | 31 March 2023 | 31 March 2022 |
| Interest expense on loans from related parties (Refer note 26) | 150,654 | 81,055 |
| Net exchange loss | 3 | 4 |
| Other finance charges | 7 | 7 |
| | 150,663 | 81,066 |

21. Tax expense

The Company forms a fiscal unity for VAT and Corporate Income Tax purposes with Bharti Airtel International (Netherlands) B.V. Consequently, the Company is jointly and severally liable for the taxes payable by the fiscal unity.

22. 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, interest rate risk), credit risk and liquidity risk. The Company's risk management strategies focus on the unpredictability of these elements and seek to minimize the potential adverse effects on its financial performance.

The financial risk management for the Company is driven by the Company's management, in close coordination 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 Company periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

(i) Interest rate risk

The Company has exposure to floating-interest bearing assets and liabilities, its interest income and expense, related cash inflows and outflows are affected by changes in market interest rates.

Borrowings

Borrowings with floating 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 Company in a manner which enables the Company to achieve an optimum debt-mix based on its overall objectives and future market expectations.

Interest rate sensitivity of financial liabilities - 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 31 March 2023 | | |
| USD borrowings | +100 | (28,022) |
| | -100 | 28,022 |

For the year ended 31 March 2022

| | | |
|----------------|------|----------|
| USD borrowings | +100 | (32,443) |
| | -100 | 32,443 |

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

Interest rate sensitivity of Financial Assets- Loans

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 31 March 2023 | | |
| USD loans | +100 | 35,111 |
| | -100 | (35,111) |

For the year ended 31 March 2022

| | | |
|-----------|------|----------|
| USD loans | +100 | 36,063 |
| | -100 | (36,063) |

The above sensitivity analysis is based on a reasonably possible change in the underlying interest rate of the Company's borrowings / loans provided in USD (being the currencies in which it has borrowed/lent funds), while assuming all other conditions 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.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing through intercompany loans.

Based on past performance and current expectations, the Company believes that the Cash and cash equivalents, cash generated from operations, will suffice 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.

BHARTI AIRTEL AFRICA B.V.
Notes to Standalone Financial Statements for the year ended 31 March 2023

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

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

| As at 31 March 2023 | | | | | | |
|-----------------------------|------------------|--------------------|----------------|--------------|------------------|------------------|
| Carrying amount | On Demand | Less than 6 months | 6 to 12 months | 1 to 2 years | > 2 years | Total |
| Interest bearing borrowings | 2,802,219 | - | - | - | 2,802,219 | 2,802,219 |
| Other financial liabilities | 278,178 | 278,178 | - | - | - | 278,178 |
| Trade payables | 191 | - | 191 | - | - | 191 |
| Total | 3,080,588 | 278,178 | 191 | - | 2,802,219 | 3,080,588 |

| As at 31 March 2022 | | | | | | |
|-----------------------------|------------------|--------------------|----------------|--------------|------------------|------------------|
| Carrying amount | On Demand | Less than 6 months | 6 to 12 months | 1 to 2 years | > 2 years | Total |
| Interest bearing borrowings | 3,244,345 | - | - | - | 3,244,345 | 3,244,345 |
| Other financial liabilities | 320,067 | 320,067 | - | - | - | 320,067 |
| Trade payables | 138 | - | 138 | - | - | 138 |
| Total | 3,564,550 | 320,067 | 138 | - | 3,244,345 | 3,564,550 |

Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:

| Statement of cash flow line items | | 1 April 2022 | Cash flow | Non Cash Movements | | |
|-----------------------------------|--|--------------|-----------|------------------------------------|--------|---------------|
| | | | | Interest and other finance charges | Others | 31 March 2023 |
| Borrowings | Proceeds / Repayment of borrowings | 3,244,345 | (593,214) | 150,654 | 434 | 2,802,219 |
| Others financial liabilities | Net (repayments) / proceeds from related parties | 320,067 | (41,931) | - | 42 | 278,178 |

| Statement of cash flow line items | | 1 April 2021 | Cash flow | Non Cash Movements | | |
|-----------------------------------|--|--------------|-----------|------------------------------------|--------|---------------|
| | | | | Interest and other finance charges | Others | 31 March 2022 |
| Borrowings | Proceeds / Repayment of borrowings | 3,971,739 | (808,756) | 81,055 | 306 | 3,244,345 |
| Others financial liabilities | Net (repayments) / proceeds from related parties | 362,281 | (42,228) | - | 14 | 320,067 |

iii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The company does not have any significant exposure to the foreign currency risk as its operation is in its functional currency.

BHARTI AIRTEL AFRICA B.V.
Notes to Standalone Financial Statements for the year ended 31 March 2023

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

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 enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and 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 the focus on total equity, uphold investor; 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.

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. Refer table below.

| | As of | |
|---------------------------------|----------------------|----------------------|
| | 31 March 2023 | 31 March 2022 |
| Borrowings | 2,802,219 | 3,244,345 |
| Less: Cash and cash equivalents | 89 | 86 |
| Net debt | 2,802,130 | 3,244,259 |
| Equity | 1,190,375 | 1,001,476 |
| Total capital | 1,190,375 | 1,001,476 |
| Capital and net debt | 3,992,505 | 4,245,735 |
| Gearing ratio | 70.2% | 76.4% |

23. 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:

| | Carrying Value | | Fair Value | |
|------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 |
| Financial assets | | | | |
| Amortised cost | | | | |
| Loans | 4,204,478 | 4,499,528 | 4,204,478 | 4,499,528 |
| Other financial assets | 3,141 | 3,157 | 3,141 | 3,157 |
| Cash and cash equivalents | 89 | 86 | 89 | 86 |
| | 4,207,708 | 4,502,771 | 4,207,708 | 4,502,771 |
| Financial liabilities | | | | |
| Amortised cost | | | | |
| Borrowings- floating rate | 2,802,219 | 3,244,345 | 2,802,219 | 3,244,345 |
| Trade payables | 191 | 138 | 191 | 138 |
| Other financial liabilities | 278,178 | 320,067 | 278,178 | 320,067 |
| | 3,080,588 | 3,564,550 | 3,080,588 | 3,564,550 |

The carrying value of financial assets and liabilities approximates their fair value mainly due to the short-term maturities/ floating interest rate.

BHARTI AIRTEL AFRICA B.V.
Notes to Standalone Financial Statements for the year ended 31 March 2023

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

24. Earnings/ (Loss) per share ('EPS')

| Particulars | |
|--|----------|
| 31 March 2023 | |
| Par value of equity shares (in EUR) | EUR 0.01 |
| Profit attributable to equity shareholders (A) | 395,604 |
| Weighted average number of equity shares outstanding during the year (Nos. in Thousands) (B) | 55,353 |
| Basic / Diluted Earnings per Share in USD (A / B) | 7.15 |
| 31 March 2022 | |
| Par value of equity shares (in EUR) | EUR 0.01 |
| Profit attributable to equity shareholders (A) | 235,104 |
| Weighted average number of equity shares outstanding during the year (Nos. in Thousands) (B) | 55,353 |
| Basic / Diluted Earnings per Share in USD (A / B) | 4.25 |

25. Key Management Personnel Remunerations

| | For the year ended | |
|-----------------|--------------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| D. van Kootwijk | - | 28 |
| | - | 28 |

(This space has been intentionally left blank)

26. 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 which transactions have taken place during the year and description of relationships, as identified and certified by the management are:

(a) Parent company

Bharti Airtel International (Netherlands) B.V.

(a) Intermediate parent company

Airtel Africa plc
 Airtel Africa Mauritius Limited
 Network i2i Limited
 Bharti Airtel Limited
 Bharti Telecom Limited

(c) Ultimate controlling entity

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

(d) Direct and indirect subsidiaries

| Name of subsidiary | Principal activities | Proportion of ownership interest | |
|--|----------------------------|----------------------------------|---------------|
| | | % As of | |
| | | 31 March 2023 | 31 March 2022 |
| Airtel (Seychelles) Limited | Telecommunication services | 100 | 100 |
| Airtel Congo RDC S.A. | Telecommunication services | 98.50 | 98.50 |
| Airtel Congo S.A. | Telecommunication services | 90 | 90 |
| Airtel Gabon S.A. | Telecommunication services | 100 | 100 |
| Airtel Madagascar S.A. | Telecommunication services | 100 | 100 |
| Airtel Malawi plc | Telecommunication services | 80 | 80 |
| Airtel Mobile Commerce Nigeria Limited | Mobile commerce services | 99.96 | 99.96 |
| Airtel Money Tanzania Limited | Mobile commerce services | 51 | 51 |
| Airtel Money Transfer Limited | Mobile commerce services | 100 | 100 |
| Airtel Networks Kenya Limited | Telecommunication services | 100 | 100 |
| Airtel Networks Limited | Telecommunication services | 99.96 | 99.96 |
| Airtel Networks Zambia plc | Telecommunication services | 96.36 | 96.36 |
| Airtel Rwanda Limited | Telecommunication services | 100 | 100 |
| Airtel Tanzania plc | Telecommunication services | 51 | 51 |
| Airtel Tchad S.A. | Telecommunication services | 100 | 100 |
| Airtel Uganda Limited | Telecommunication services | 100 | 100 |
| Bharti Airtel Chad Holdings B.V. | Investment Company | 100 | 100 |
| Bharti Airtel Congo Holdings B.V. | Investment Company | 100 | 100 |

BHARTI AIRTEL AFRICA B.V.
Notes to Standalone Financial Statements for the year ended 31 March 2023

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

| Name of subsidiary | Principal activities | Proportion of ownership interest | |
|--|---------------------------------|----------------------------------|---------------|
| | | % As of | |
| | | 31 March 2023 | 31 March 2022 |
| Bharti Airtel Developers Forum Limited | Investment Company | 96.36 | 96.36 |
| Bharti Airtel Gabon Holdings B.V. | Investment Company | 100 | 100 |
| Bharti Airtel Kenya B.V. | Investment Company | 100 | 100 |
| Bharti Airtel Kenya Holdings B.V. | Investment Company | 100 | 100 |
| Bharti Airtel Madagascar Holdings B.V. | Investment Company | 100 | 100 |
| Bharti Airtel Malawi Holdings B.V. | Investment Company | 100 | 100 |
| Bharti Airtel Mali Holdings B.V. | Investment Company | 100 | 100 |
| Bharti Airtel Niger Holdings B.V. | Investment Company | 100 | 100 |
| Bharti Airtel Nigeria B.V. | Investment Company | 100 | 100 |
| Bharti Airtel Nigeria Holdings II B.V. | Investment Company | 100 | 100 |
| Bharti Airtel RDC Holdings B.V. | Investment Company | 100 | 100 |
| Bharti Airtel Rwanda Holdings Limited | Investment Company | 100 | 100 |
| Bharti Airtel Services B.V. | Investment Company | 100 | 100 |
| Bharti Airtel Tanzania B.V. | Investment Company | 100 | 100 |
| Bharti Airtel Uganda Holdings B.V. | Investment Company | 100 | 100 |
| Bharti Airtel Zambia Holdings B.V. | Investment Company | 100 | 100 |
| Celtel (Mauritius) Holdings Limited | Investment Company | 100 | 100 |
| Celtel Niger S.A. | Telecommunication services | 90 | 90 |
| Channel Sea Management Company (Mauritius) Limited | Investment Company | 100 | 100 |
| Societe Malgache de Telephone Cellulaire S.A. | Investment Company | 100 | 100 |
| Congo RDC Towers S.A. | Infrastructure sharing services | 100 | 100 |
| Gabon Towers S.A. ¹ | Infrastructure sharing services | 100 | 100 |
| Indian Ocean Telecom Limited | Investment Company | 100 | 100 |
| Montana International | Investment Company | 100 | 100 |
| Partnership Investment S.a.r.l. | Investment Company | 100 | 100 |
| The Registered Trustees of Airtel Money Trust Fund | Mobile commerce services | 51 | 51 |
| Smartcash Payment Service Bank Limited | Mobile commerce services | 99.99999272 | - |

¹Under dissolution as of 31 March 2023

Details of associate

| Name of associate | Principal activities | Proportion of ownership interest | |
|--|------------------------|----------------------------------|---------------|
| | | % As of | |
| | | 31 March 2023 | 31 March 2022 |
| Seychelles Cable Systems Company Limited | Submarine cable system | 26 | 26 |

BHARTI AIRTEL AFRICA B.V.
Notes to Standalone Financial Statements for the year ended 31 March 2023

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

Related Party Transactions for the year ended 31 March 2023

| Nature of transaction | Bharti Airtel International (Netherlands) B.V. | Bharti Airtel Zambia Holdings B.V. | Bharti Airtel Chad Holdings B.V. | Bharti Airtel Madagascar Holdings B.V. | Bharti Airtel Niger Holdings B.V. | Bharti Airtel Nigeria Holdings II B.V. |
|--|--|---------------------------------------|--|--|---|--|
| Opening balance as at 01 April 2022 | (3,244,344) | (116) | 152,897 | 195,114 | (140,566) | 2,289,960 |
| Loans received | (30,687) | (8,000) | - | - | (39,500) | - |
| Loans given | - | - | - | 13,560 | - | - |
| Repayment of loans received | 623,900 | 8,116 | - | - | - | - |
| Repayment of loans given | - | - | (45,009) | (1,618) | - | (267,900) |
| Interest expense on loans | (150,628) | - | - | - | - | - |
| Interest income on loans | - | - | - | - | - | 114,795 |
| Others | - | - | - | - | - | - |
| Closing balance | (2,801,759) | 0 | 107,888 | 207,056 | (180,066) | 2,136,855 |
| Closing balance as at 31 March 2023 | | | | | | |
| Borrowings | (2,801,759) | - | - | - | - | - |
| Other financial liabilities | - | 0 | - | - | (180,066) | - |
| Loans receivable | - | - | 107,888 | 207,056 | - | 2,136,855 |
| Others financial assets | - | - | - | - | - | - |
| Total | (2,801,759) | 0 | 107,888 | 207,056 | (180,066) | 2,136,855 |

BHARTI AIRTEL AFRICA B.V.
Notes to Standalone Financial Statements for the year ended 31 March 2023

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

Related Party Transactions for the year ended 31 March 2023

| Nature of transaction | Bharti Airtel Kenya Holdings B.V. | Bharti Airtel Rwanda Holdings Limited | Bharti Airtel RDC Holdings B.V. | Bharti Airtel Uganda Holdings B.V. | Bharti Airtel Tanzania B.V. | Bharti Airtel Mali Holdings B.V. | Other subsidiaries | Total |
|--|-----------------------------------|---------------------------------------|---------------------------------|------------------------------------|-----------------------------|----------------------------------|--------------------|------------------|
| Opening balance as at 01 April 2022 | 1,244,006 | 236,853 | 571,680 | 1 | 434,856 | 7,920 | (55,736) | 1,692,525 |
| Loans received | - | - | - | (5,761) | - | - | - | (83,948) |
| Loans given | 16,500 | 17,745 | 1 | - | 1 | - | 8 | 47,814 |
| Repayment of loans received | - | - | - | - | - | - | 87,077 | 719,092 |
| Repayment of loans given | (26,300) | - | (148,500) | - | (36,052) | - | - | (525,378) |
| Interest expense on loans | - | - | - | - | - | - | (25) | (150,654) |
| Interest income on loans | 66,321 | - | - | - | - | 425 | 520 | 182,061 |
| Others | - | - | - | - | - | - | (42) | (42) |
| Closing balance | 1,300,527 | 254,598 | 423,181 | (5,760) | 398,805 | 8,345 | 31,801 | 1,881,470 |
| Closing balance as at 31 March 2023 | | | | | | | | |
| Borrowings | - | - | - | - | - | - | (460) | (2,802,219) |
| Other financial liabilities | - | - | - | (5,760) | - | - | (92,352) | (278,178) |
| Loans receivable | 1,300,527 | 254,598 | 423,181 | - | 398,805 | 8,345 | 118,519 | 4,955,774 |
| Others | - | - | - | - | - | - | 6,094 | 6,094 |
| Total | 1,300,527 | 254,598 | 423,181 | (5,760) | 398,805 | 8,345 | 31,801 | 1,881,470 |

BHARTI AIRTEL AFRICA B.V.
Notes to Standalone Financial Statements for the year ended 31 March 2023

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

Related Party Transactions for the year ended 31 March 2022

| Nature of transaction | Bharti Airtel International (Netherlands) B.V. | Bharti Airtel Zambia Holdings B.V. | Bharti Airtel Chad Holdings B.V. | Bharti Airtel Madagascar Holdings B.V. | Bharti Airtel Niger Holdings B.V. | Bharti Airtel Nigeria Holdings II B.V. |
|--|--|------------------------------------|----------------------------------|--|-----------------------------------|--|
| Opening balance as at 01 April 2021 | (3,963,950) | (116) | 203,096 | 228,528 | (129,835) | 2,358,859 |
| Loans received | - | - | - | - | (10,731) | - |
| Loans given | - | - | - | 6,360 | - | - |
| Repayment of loans received | 800,875 | - | - | - | - | - |
| Repayment of loans given | - | - | (50,200) | (39,781) | - | (125,951) |
| Interest expense on loans | (80,991) | - | - | - | - | - |
| Interest income on loans | - | - | - | - | - | 57,052 |
| Others | (278) | - | 1 | 7 | - | - |
| Closing balance | (3,244,344) | (116) | 152,897 | 195,114 | (140,566) | 2,289,960 |
| Closing balance as at 31 March 2022 | | | | | | |
| Borrowings | (3,244,344) | - | - | - | - | - |
| Other financial liabilities | - | (116) | - | - | (140,566) | - |
| Loans receivable | - | - | 152,897 | 195,114 | - | 2,289,960 |
| Others financial assets | - | - | - | - | - | - |
| Total | (3,244,344) | (116) | 152,897 | 195,114 | (140,566) | 2,289,960 |

BHARTI AIRTEL AFRICA B.V.
Notes to Standalone Financial Statements for the year ended 31 March 2023

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

Related Party Transactions for the year ended 31 March 2022

| Nature of transaction | Bharti Airtel Kenya Holdings B.V. | Bharti Airtel Rwanda Holdings Limited | Bharti Airtel RDC Holdings B.V. | Bharti Airtel Uganda Holdings B.V. | Bharti Airtel Tanzania B.V. | Bharti Airtel Mali Holdings B.V. | Other subsidiaries | Total |
|--|-----------------------------------|---------------------------------------|---------------------------------|------------------------------------|-----------------------------|----------------------------------|--------------------|------------------|
| Opening balance as at 01 April 2021 | 1,312,812 | 236,843 | 767,755 | (92,895) | 554,022 | 7,728 | (25,396) | 1,457,451 |
| Loans received | - | - | - | (62,304) | - | - | (40,628) | (113,664) |
| Loans given | - | 10 | - | - | - | - | - | 6,370 |
| Repayment of loans received | - | - | - | - | - | - | 9,572 | 810,447 |
| Repayment of loans given | (99,999) | - | (196,075) | - | (119,166) | - | (500) | (631,671) |
| Interest expense on loans | - | - | - | - | - | - | (65) | (81,055) |
| Interest income on loans | 31,189 | - | - | - | - | 192 | 2,354 | 90,786 |
| Others | 4 | - | - | 155,200 | - | - | (1,073) | 153,861 |
| Closing balance | 1,244,006 | 236,853 | 571,680 | 1 | 434,856 | 7,920 | (55,736) | 1,692,525 |
| Closing balance as at 31 March 2022 | | | | | | | | |
| Borrowings | - | - | - | - | - | - | (1) | (3,244,345) |
| Other financial liabilities | - | - | - | 1 | - | - | (179,383) | (320,064) |
| Loans receivable | 1,244,006 | 236,853 | 571,680 | - | 434,856 | 7,920 | 117,537 | 5,250,824 |
| Others | - | - | - | - | - | - | 6,110 | 6,110 |
| Total | 1,244,006 | 236,853 | 571,680 | 1 | 434,856 | 7,920 | (55,736) | 1,692,525 |

27. Subsequent Events

Between April 2023 and June 2023, the Company declared interim dividend amounting to USD 166.2 Mn to its shareholders.

28. Ratios

| Ratio | Numerator | Denominator | March 31, 2023 | March 31, 2022 | % Variance | Reason for variance |
|------------------------|-----------------------------|---|----------------|----------------|------------|---|
| Current Ratio | Current Assets | Current Liabilities | 0.01 | 0.01 | 14.57% | Not applicable |
| Return on Equity Ratio | Profit/ (Loss) for the year | Average Equity attributable to owners of the parent | 0.36 | 0.27 | 35.72% | Increase due to dividend income during the year |