SUBMISSION FORM

Financial Services Commission
Mauritius

Online Data Capture System

Date: 30-Jun-23

1. Licensee Name: CELTEL (MAURITIUS) HOLDINGS LIMITED

2. **Licence No, FSC Code & Activity**

Licence No.	FSC Code	Activity
OC97003515	FS - 4.1	Investment Holding

3. **Reporting Entity Relationship with Licensee**

   Management Company: Ocorian Corporate Services (Mauritius) Limited

4. Period: 01-Jan-22 To 31-Dec-22

5. Number of pages attached: 26 Pages *(excluding this page)*

6. Declaration

   I, the undersigned, hereby declare that the documents attached to this Submission Sheet are true copies of the originals and I agree to submit originals to the Financial Services Commission upon request.

   DocuSigned by:
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   Signature: ……………………………………..

   Responsible Officer: Asnath Sultunti

   Position: Associate Director - Corporate Services

   Contact No.: 403 6051

   Email Address: asnath.sultunti@ocorian.com

Celtel (Mauritius) Holdings Limited

Audited Financial Statements

31 December 2022

Celtel (Mauritius) Holdings Limited

Audited Financial Statements
31 December 2022

Contents **Page No.**

		Date of Appointment
DIRECTORS	: Jantina Catharina Van De Vreede	26 November 2010
	Devananda Naraidoo	14 February 2011
	Vassudha Devi Beethue	14 January 2021

ADMINISTRATOR AND SECRETARY : Ocorian Corporate Services (Mauritius) Limited
Level 6, Tower A
1 Exchange Square,
Wall Streat, Ebene 72201
Mauritius

REGISTERED OFFICE : Level 6, Tower A
1 Exchange Square,
Wall Streat, Ebene 72201
Mauritius

BANKER : HSBC Bank (Mauritius) Limited
Icon Ebene, Level 5
Office 1 (West wing)
Rue de l'Institut
Ebene
Mauritius

AUDITOR : Deloitte
7th and 8th Floor, Standard Chartered Tower
19-21 Bank Street, Cybercity
Ebene
Mauritius

The directors present their commentary, together with the audited financial statements of Celtel (Mauritius) Holdings Limited (the 'Company') for the year ended 31 December 2022.

PRINCIPAL ACTIVITY

The principal activity of the Company is investment holding.

RESULTS AND DIVIDENDS

The Company's loss for the year ended 31 December 2022 is USD 97,763,710 (2021: USD 372,904).

The directors do not recommend the payment of a dividend for the year under review (2021: Nil).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

Deloitte has been appointed as auditor and has indicated its willingness to remain in office and will be automatically re-appointed at the Annual Meeting.

By Order of the Board

DS

Rishikesh BATOOSAM
FOR
OCORIAN CORPORATE
SERVICES (MAURITIUS) LIMITED

SECRETARY

OCORIAN CORPORATE SERVICES (MAURITIUS) LIMITED

Date: 26 June 2023

SECRETARY'S CERTIFICATE

TO THE MEMBER OF CELTEL (MAURITIUS) HOLDINGS LIMITED

SECRETARY'S CERTIFICATE UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT

In accordance with section 166 (d) of the Mauritius Companies Act, we certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, all such returns as are required of the Company under the Mauritius Companies Act 2001 for the Audited Financial Statements for the year ended 31 December 2022.

Dated 26 June 2023

DS

[illegible] BATOOSAM
FOR
OCORIAN CORPORATE
SERVICES (MAURITIUS) LIMITED

Ocorian Corporate Services (Mauritius) Limited
Secretary

Deloitte.

7^{th} - 8^{th} floor, Standard Chartered Tower
19-21 Bank Street
Cybercity
Ebène 72201
Mauritius

Independent auditor's report to the Shareholder of Celtel (Mauritius) Holdings Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Celtel (Mauritius) Holdings Limited** (the "Company") set out on pages 7 to 25, which comprise the statement of financial position as at 31 December 2022, 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 December 2022, 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, as described in note 3 to the financial statements.

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 3 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, Commentary of the directors and 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.

Deloitte.

7th - 8th floor, Standard Chartered Tower
19-21 Bank Street
Cybercity
Ebène 72201
Mauritius

Independent auditor's report to the Shareholder of Celtel (Mauritius) Holdings 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 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.

Deloitte

Chartered Accountants

29 June 2023

Agrawal.

Vishal Agrawal, FCA

Licensed by FRC

(All amounts are in United States Dollars - 'USD')

	Notes	For the year ended 31 December 2022	For the year ended 31 December 2021
Expenses			
Domiciliation and compliance fees		800	400
Directors' fees		1,500	750
Licence fees		1,910	1,950
Audit fees		15,539	10,730
Taxation fees		250	250
Accountancy fees		1,000	1,000
Secretarial fees and disbursements		7,052	2,572
Bank charges		1,128	833
Provision for impairment of loans receivable	9	97,716,274	-
Provision for impairment of investment	8	-	311,701
Provision for impairment of other receivables	10	-	42,718
Balances written off		18,257	-
Total Expenses		**97,763,710**	**372,904**
Loss before income tax		**(97,763,710)**	**(372,904)**
Income tax expense	6	-	-
Loss after tax		(97,763,710)	(372,904)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		**(97,763,710)**	**(372,904)**

The notes on pages 11 to 25 form an integral part of these financials statements.

(All amounts are in United States Dollars - 'USD')

	Notes	As at 31 December 2022	As at 31 December 2021
ASSETS			
Non-current assets			
Investment in subsidiary	7	4,355,634	4,355,634
Investment in associate	8	-	-
		4,355,634	**4,355,634**
Current assets			
Loan receivable	9	9,821,905	89,359,679
Other receivables and prepayments	10	1,379,056	1,343,118
Cash and cash equivalents		14,114	216,259
		11,215,075	**90,919,056**
Total assets		**15,570,709**	**95,274,690**
EQUITY AND LIABILITIES			
Shareholder's funds			
Stated capital	11	10,000	10,000
Retained earnings		(58,053,714)	39,709,996
Other Equity		399,996	399,996
Total equity		**(57,643,718)**	**40,119,992**
Current liabilities			
Borrowings	12	73,004,394	54,944,394
Other payables and accrued expenses	13	210,033	210,304
		73,214,427	**55,154,698**
Total liabilities		**73,214,427**	**55,154,698**
Total equity and liabilities		**15,570,709**	**95,274,690**

The notes on pages 11 to 25 form an integral part of these financials statements.

Approved by the Board of directors on 26 June 2023 and signed on its behalf by:

DocuSigned by:
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Vassudha Devi Beethue

Director

DocuSigned by:
96C27126A40D4AC...
Devananda Naraidoo

Director

Celtel (Mauritius) Holdings Limited
Statement of Changes in Equity for the year ended 31 December 2022
(All amounts are in United States Dollars - 'USD')

	Stated capital		Retained earnings	Other Equity	Total equity
	No of shares	Amount			
As of 1 January 2021	**100**	**10,000**	**40,082,900**	**-**	**40,092,900**
Loss for the year	-	-	(372,904)	-	(372,904)
Transaction with fellow subsidiaries	-	-	-	399,996	399,996
Total comprehensive loss	**-**	**-**	**(372,904)**	**399,996**	**27,092**
As of 31 December 2021	**100**	**10,000**	**39,709,996**	**399,996**	**40,119,992**
Loss for the year	-	-	(97,763,710)	-	(97,763,710)
Total comprehensive loss	**-**	**-**	**(97,763,710)**	**-**	**(97,763,710)**
As of 31 December 2022	**100**	**10,000**	**(58,053,714)**	**399,996**	**(57,643,718)**

The notes on pages 11 to 25 form an integral part of these financials statements.

(All amounts are in United States Dollars - 'USD')

	For the year ended 31 December 2022	For the year ended 31 December 2021
Cash flow from operating activities		
Loss before tax	(97,763,710)	(372,904)
Adjustments for:		
Provision for impairment of loans	97,716,274	-
Provision for impairment of investment in associates	-	311,701
Provision for impairment of other receivables	-	42,718
Balances written off	18,257	-
Operating cash flows before changes in working capital	(29,179)	(18,485)
Changes in working capital :		
(Increase) / Decrease in other receivables	(54,195)	539,835
Decrease in other payables and accrued expenses	(271)	(408,783)
Net cash (used in)/generated from operating activities (a)	**(83,645)**	**112,567**
Cash flow from investing activities		
Investment made	-	(40)
Loan given to subsidiary company	(21,000,000)	-
Repayment of Loan given to subsidiary company	2,821,500	38,075,065
Net cash (used in) / generated from investing activities (b)	**(18,178,500)**	**38,075,025**
Cash flow from financing activities		
Loan from holding company	19,560,000	80,000
Repayment of Loan received from parent company	(1,500,000)	(38,075,066)
Net cash generated from / (used in) financing activities (c)	**18,060,000**	**(37,995,066)**
Net (decrease) / increase in cash and cash equivalents during the year (a)+(b)+(c)	**(202,145)**	**192,526**
Cash and Cash Equivalents as at beginning of the year	216,259	23,733
Cash and cash equivalents as at end of the year	**14,114**	**216,259**

The notes on pages 11 to 25 form an integral part of these financials statements.

1. Corporate information

Celtel (Mauritius) Holdings Limited (the "Company") is a private limited company incorporated in Mauritius, holds a Global Business Licence under the Financial Services Act 2007 and is regulated by Financial Services Commission. The The Company's registered office is Level 6, Tower A, 1 Exchange Square, Wall Street, Ebene 72201, Mauritius.

The principal activity of the Company is investment holding.

2. Application of new and revised international financial reporting standards

2.1 New and revised Standards and Interpretations applied with no material effect on the financial statements ("IFRS")

No new IFRS issued during the year is applicable to the Company. Amendments to existing IFRSs have been applied by the Company as required, however, these amendments do not have any material impact on the Company's financial statements. The list of newly issued amendments is as follows:

- Amendments to IAS 37 in relation to 'Onerous contracts- cost of fulfilling contracts'

2.2 New and revised Standards in issue but not yet effective

The following pronouncements issued by the IASB (International Accounting Standards Board) are relevant to the Company and effective for annual periods beginning on or after 1 January 2023. The Company's financial statements will be presented in accordance with these requirements, which are being evaluated but are not expected to have a material impact on the results, financial position or cash flows of the Company. These pronouncements have been issued by IASB, but are not yet effective

- Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 in relation to disclosure of accounting policies
- Amendments to IAS 8 in relation to accounting estimates
- Amendments to IAS 12 in relation to 'deferred tax related to assets and liabilities arising from a single transaction

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to both years presented, unless otherwise stated.

Basis of presentation

The financial statements have been prepared in accordance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Global Business Licence companies. The directors have considered the exemption available under Section 12 of the Fourteenth Schedule of the Mauritius Companies Act 2001 and have not prepared consolidated financial statements. The financial statements have been prepared under the historical cost convention, and except for IFRS 10 - Consolidated Financial Statements, in accordance with the International Financial Reporting Standards on a stand-alone basis.

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 4.

Going concern

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence in the foreseeable future. The validity of this assumption depends on the continued financial support of its step up holding company, Bharti Airtel International (Netherlands) B.V. The Company has received a letter of comfort from its step up holding company, confirming that the support will be forthcoming over the next twelve months from the date of approval of these accounts. It is thus appropriate for the financial statements to be prepared on the going concern basis.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency").The financial statements are presented in United States dollars (USD), which is also the functional currency of the Company.

(b) Transactions and balances

Foreign currency transactions are initially recorded in the functional currency at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement/settlement, recognised in the Statement of Profit or Loss and Comprehensive Income within other 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.

3. Summary of significant accounting policies (Continued)

Current and deferred income tax

The income tax expense for the year comprises of current tax only. The current income tax is calculated on the basis of the tax rates, laws and regulation, which have been enacted or substantively enacted as at the reporting date in the country where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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, tax losses and tax credits can be utilized. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the Statement of Financial Position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Investment in subsidiary

Subsidiaries are all entities over which the Company has the power to directly or indirectly govern the financial and operating policies and has rights to variable returns from its involvement from the entity, and has the ability to affect those returns through its power over the entity.

Investment in subsidiary is initially shown at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to Statement of Profit or Loss and Comprehensive Income.

Investment in associate

Associates are all entities over which the Company has significant influence but no control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or jointly control over those policies.

Investments in associates are accounted for by the equity method of accounting. Under the equity method, investments in associates are carried out in the statement of financial position at cost as adjusted for post-acquisition changes in the share of net assets of the associate, less any impairment in the value of the individual investments. The goodwill is included within the carrying amount of the investment.

The Company's share of its associates' post-acquisition profits or losses is recognised in profit and loss and its share of post-acquisition movements in reserves is recognised in reserves. Where the company transacts with an associate, profits and losses are eliminated to the extent of the Company's interest in the relevant associate.

At each reporting date, the Company determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of investment and its carrying value.

The Company derecognises investment in associates when it transfers substantially all the risks and rewards of ownership of the investment.

3. Summary of significant accounting policies (Continued)

Financial instruments

The Company initially recognises financial instruments on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. Financial instruments are initially recognised at fair value plus transaction costs and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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.

Subsequent measurement – financial assets

The subsequent measurement of 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/finance costs separately from the other gains/losses arising from changes in the fair value.

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).

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Company to recognize a loss allowance for expected credit losses on:

(1) Debt investments measured subsequently at amortised cost or at FVTOCI; and

(2) Trade receivables

In particular, IFRS 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit impaired financial asset.

3. Summary of significant accounting policies (Continued)

Financial instruments (continued)

Impairment of financial assets (continued)

However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit impaired financial asset), the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12 months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables.

Derecognition of financial assets and liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.Financial instruments carried on the statement of financial position include loan receivable, other receivables, cash and cash equivalents, borrowings and, other payables and accrued expenses. The particular recognition methods adopted are disclosed below:

- **Loan receivable**

Loan receivable is recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

- **Other receivables**

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

- **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Company's cash and cash equivalents comprise of cash at bank.

- **Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in Statement of Profit or Loss and Comprehensive Income over the period of the borrowings using the effective interest method.

- **Other payables and accrued expenses**

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Stated capital

Stated capital is determined using the nominal values of shares that have been issued and classified as equity.

Impairment of non-financial assets

The carrying amount of assets is assessed at each reporting date to determine whether there are any indications of impairment. If any such indication exists, the Company estimates the recoverable amount of the asset being the higher of the asset's net selling price and its value in use, in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for any excess of the asset's carrying amount over its recoverable amount and is taken directly to profit and loss.

3. Summary of significant accounting policies (Continued)

Revenue recognition

Interest income is recognised using the effective interest method.

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

Interest and dividend income are recognised gross of withholding taxes.

Expense recognition

Expenses are accounted for in Statement of Profit or Loss and Comprehensive Income on accrual basis.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

4. Critical accounting estimates and judgments

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. The estimates and judgments are evaluated by the Company on an ongoing basis, 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. These estimates and judgment 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. The changes in estimates are recognised in the financial statements in the year in which they become known.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. The directors have considered those factors therein and have determined that the functional currency of the Company is the USD.

The Company has made investment in subsidiary in Malagasy Ariary (Note 7) and expects to receive dividend and proceeds from disposal of investment in Malagasy Ariary. However, it obtains financing from its shareholder and other stakeholders in USD and all operating activities are conducted in USD. Thus, USD is the functional currency as it most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company. The Company has also made investment in associate in USD (Note 8) and expects to receive dividend and proceeds from disposal of investment in USD. It also obtains financing from its shareholder(s) and other stakeholders in USD and all operating activities are conducted in USD. Thus, USD is the functional currency as it most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company.

Impairment assessment

The directors have assessed the recoverable amount of the subsidiary at 31 December 2022 and are of the opinion that the investment has not suffered any impairment. The impairment assessment is based on the discounted cash flow of the subsidiary (Note 7).

5. Financial risk management objectives and policies

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. This note presents information about the Company's exposure to each of the said risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate measures and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

The Company's exposure to the various types of risks associated to its activity and financial instruments is detailed below.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. None of the Company's financial assets and liabilities is denominated in foreign currency at the reporting date and therefore is not exposed to foreign currency risk.

(ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. As at reporting date, the Company is not exposed to interest rate risk as it does not hold any interest bearing financial assets or financial liabilities.

(b) Credit risk

Credit risk is the risk that a counter party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Company's exposure to credit risk is monitored by management on an ongoing basis. The Company limits its risk by carrying out transactions through companies within the group and by banking with reputable financial institutions.

Amounts due from related parties are assessed regarding credit risk at each reporting date. As the same are closely monitored and controlled by the same management, there is no provision matrix being followed on ageing basis. There have been no instances observed in the past where collection is assumed to be at risk for such related party receivable.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter financial difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company relies on its related companies for funding.

(All amounts are in United States Dollars - 'USD')

5. Financial risk management objectives and policies (Continued)

(c) Liquidity risk (Continued)

The table below summarises the maturity profile of the Company's financial liabilities as at 31 December 2022 based on contractual undiscounted payments.

December 31 2022	On Demand	Within 1 year	Total
Borrowings	73,004,394	-	73,004,394
Other payables and accrued expenses	196,841	13,192	210,033
	73,201,235	**13,192**	**73,214,427**

December 31 2021	On Demand	Within 1 year	Total
Borrowings	54,944,394	-	54,944,394
Other payables and accrued expenses	196,841	13,463	210,304
	55,141,235	**13,463**	**55,154,698**

(d) Fair values

The carrying amounts of loan receivables, other receivables, cash and cash equivalents, borrowings and other payables and accrued expenses approximate their fair values due to short term nature of the balances involved.

(e) Capital risk management

The Company's objectives when managing capital are to raise sufficient funds for its investing activities and to safeguard the Company's ability to pay its debts as they fall due in order to continue as going concern and provide returns for the shareholders. Capital comprises equity and retained earnings.

(f) Financial instruments by category

Financial Assets	**As of 31 December 2022**	**As of 31 December, 2021**
Amortised Cost:		
Loan Receivable	9,821,905	89,359,679
Other Receivables	1,379,056	1,343,118
Cash & Cash Equivalents	14,114	216,259
	11,215,075	**90,919,056**

Financial Liabilities	**As of 31 December 2022**	**As of 31 December 2021**
Amortised Cost:		
Borrowings	73,004,394	54,944,394
Other payables and accrued expenses	210,033	210,304
	73,214,427	**55,154,698**

(All amounts are in United States Dollars - 'USD')

6. Income tax

The Company, being resident in Mauritius, is liable to income tax in Mauritius on its chargeable income at the rate of 15% (2021: 15%). The Company has received its Category 1 Global Business Licence ("GBL1") on or before 16th October 2017 and is grandfathered under the provisions of the Finance (Miscellaneous Provisions) Act 2018 ("FA 2018"). As from 1 July 2021, the Company's GBL1 licence was automatically converted to a Global Business Licence ("GBL") and therefore operated under the old tax regime up to 30 June 2021.

Until 30 June 2021, the Company's foreign sourced income was eligible for a foreign tax credit which was computed as the higher of the Mauritian tax and the foreign tax on the respective foreign sourced income. The foreign tax for a GBL1 company was based on either the actual foreign tax charged by the foreign jurisdiction or a deemed foreign tax. The deemed amount of foreign tax was based on 80% of the Mauritian tax on the relevant foreign sourced income. In computing its total actual foreign tax credit, the Company was allowed to pool all of its foreign sourced income.

The Company's GBL 1 licence was converted to a GBL licence on 1 July 2021 and has been operating under the new tax regime. Under the new regime, the Company is able to claim an 80% partial exemption on specific types of income (including foreign dividends and interest), subject to meeting pre-defined substance conditions. Other types of income not falling within the categories of income benefitting from the partial exemption will be taxed at 15%. As an alternative to the partial exemption, the Company can claim a tax credit against its Mauritius tax liability based on the foreign tax charged on the income in the foreign jurisdiction.

At 31 December 2022, the Company had accumulated tax losses of USD 192,568 (2021: USD 163,389).

The tax losses are available for set off against future taxable profit of the Company as follows:

Upto the year ending	As of 31 December 2022	As of 31 December 2021
31 December 2023	102,321	102,321
31 December 2024	21,992	21,992
31 December 2025	20,631	20,631
31 December 2026	18,445	18,445
31 December 2027	29,179	-
	192,568	163,389

A reconciliation of the actual income tax expense based on accounting profit and the actual income tax expenses is as follows:

	As of 31 December 2022	As of 31 December 2021
Loss before taxation	(97,763,710)	(372,904)
Tax expense at 15%	(14,664,557)	(55,936)
Expenses not allowed	14,660,180	53,163
Deferred tax not recognised	4,377	2,773
Income tax Charge	-	-

Deferred tax asset, amounting to USD 28,885 (2021: USD 24,508) has not been recognized in the financial statements as it is not probable that the Company will have sufficient taxable profit against which the unused tax losses could be utilized in the foreseeable future.

7. Investment in subsidiary

	As of 31 December 2022	As of 31 December 2021
Investment in subsidiary (Airtel Madagascar SA)	**4,355,634**	**4,355,634**
(Unquoted investment at cost)		

The Company owns 63.20% of the issued share capital of Airtel Madagascar S.A., a company incorporated in the Republic of Madagascar. The principal activity of the subsidiary is to develop and use communication system.

The directors have assessed the recoverable amount of the subsidiary at 31 December 2022 and are of the opinion that the investment has not suffered any impairment. The impairment assessment is based on the discounted cash flow of the subsidiary.

The directors have considered the exemption available under Section 12 of the Fourteenth Schedule of the Mauritius Companies Act 2001 and have not prepared consolidated financial statements.

8. Investment in associate

	As of 31 December 2022	As of 31 December 2021
Investment in associate	**-**	**311,701**
Less : Provision for impairment of investment in associate	**-**	**(311,701)**
	-	**-**

The Company holds 40% of the issued share capital of Montana International, company incorporated in the Republic of Mauritius.

During the year ended 31 December 2021, the Company through the Novation agreement has made Investment in Associate amounting to $311,701 and taken the provision for impairment on the same.

During the year ended 31 December 2022, the investment and provision for impairment of investment in associate has been written off.

9. Loan receivable

	As of 31 December 2022	As of 31 December 2021
Loan receivable from subsidiary, Airtel Madagascar SA		
At the beginning of the year	89,359,679	127,434,745
Addition during the year	21,000,000	-
Repayment during the year	(2,821,500)	(38,075,066)
	107,538,179	**89,359,679**
Provision for impairment	(97,716,274)	-
	9,821,905	**89,359,679**

The loan is unsecured and interest free with a maturity date of 31st December, 2026. The credit facility is denominated in USD. The repayment clause states that any outstanding principal loan amount will be payable in full upon request of the lender by giving a 3 (three) months advance notice to the borrower.

(All amounts are in United States Dollars - 'USD')

10. Other receivables and prepayments

	As of 31 December 2022	As of 31 December 2021
Technical fees receivables from subsidiary	907,754	907,754
Other receivable from associates	-	41,113
Other receivable from other related parties	471,302	436,969
	1,379,056	**1,385,836**
Provision for impairment	-	(42,718)
	1,379,056	**1,343,118**

The directors consider that the carrying amount of related party receivables at 31 December 2022 are recoverable, and have not suffered any impairment. During the year ended 31 December 2022, other receivable and provision for impairment has been written off.

11. Stated capital

	As of 31 December 2022	As of 31 December 2021
Issued and fully paid up :		
100 shares of USD 100 each	**10,000**	**10,000**

Shareholder

The Company's shares are fully held by Bharti Airtel Madagascar Holdings B.V.
Rights and restrictions attached to ordinary shares.

Voting rights

Each ordinary share shall entitle its holder to receive notice of, to attend and vote at any meeting of the Company.

Rights relating to dividends

Each ordinary share shall entitle its holder right of an equal share in dividends as authorised by the board.

Rights relating to repayment of capital

Upon winding-up, each ordinary share shall entitle its holder the right to an equal share in the distribution of the surplus assets of the Company.

12. Borrowings

	As of 31 December 2022	As of 31 December 2021
Loan from Bharti Airtel Madagascar Holdings B.V		
At the beginning of the year	54,944,394	92,939,460
Addition during the year	19,560,000	80,000
Repayment during the year	(1,500,000)	(38,075,066)
	73,004,394	**54,944,394**

The loan is unsecured and interest free with a maturity date of 31st December, 2026. The credit facility is denominated in USD. The repayment clause states that any outstanding principal loan amount will be payable in full upon request of the lender by giving a 3 (three) months advance notice to the borrower.

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	
	April 1, 2022	**Cash Flows**	**Interest Expenses**	**March 31, 2023**
Borrowings	54,944,394	18,060,000	-	73,004,394

			Non cash changes	
	April 1, 2021	**Cash Flows**	**Interest Expenses**	**March 31, 2022**
Borrowings	92,939,460	(37,995,066)	-	54,944,394

13. Other payables and accrued expenses

	As of 31 December 2022	As of 31 December 2021
Amount due to other related parties (Refer Note 14)	196,841	196,841
Accruals	13,192	13,463
	210,033	**210,304**

14. Related Party Transactions

During the year ended, the Company entered into transactions with related parties. All balances are unsecured and interest free. Other receivable/payable to related parties are receivable/payable on demand. The nature, volume of transactions and balances with related parties are as follows.

Entity Name	**Relationship**
Bharti Airtel Africa B.V.	Step-up parent company
Bharti Airtel Madagascar Holdings B.V.	Holding company
Channel Sea Management Company (Mauritius) Limited	Fellow Subsidiary*
Airtel Madagascar S.A.	Subsidiary company
Bharti Airtel Rwanda Holding Limited	Fellow subsidiary
Montana International	Associated company*
Societe Malgache De Telephone Cellulaire SA	Fellow Subsidiary*

*Applied for strike off of names from Register of Companies

(All amounts are in United States Dollars - 'USD'; unless stated otherwise)

14. Related Party Transactions (continued)

Related Party Transactions for the year ended 31 December 2022

Nature of transaction	Airtel Madagascar S.A.	Bharti Airtel Madagascar Holdings B.V	Montana International	Bharti Rwanda Holdings Limited	Societe Malgache de Telephone Cellulaire S.A	Bharti Airtel Africa BV	Channel Sea Management Company (Mauritius) Limited
Opening Balance as on 01 January 2022	**90,267,433**	**(55,135,100)**	**41,113**	**435,368**	**-**	**(6,134)**	**1,605**
Expenses paid by the Company	-	-	5,690	-	24,996	-	23,509
Assignment of receivable from related party	-	35,938	-	-	(17,833)	-	(18,105)
Loan received from parent company during the year	-	(19,560,000)	-	-	-	-	-
Loan repaid to parent company during the year	-	1,500,000	-	-	-	-	-
Loan given to subsidiary during the year	21,000,000						
Loan repaid by subsidiary during the year	(2,821,500)	-	-	-	-	-	-
Balance Written Off	-	-	(46,803)	-	(7,163)	-	(7,009)
Outstanding balance as at 31 December 2022							
Loan receivable	107,538,179	-	-	-	-	-	-
Borrowing	-	(73,004,394)	-	-	-	-	-
Other Receivables	907,754	35,938	-	435,368	-	-	-
Other Payables	-	(190,706)	-	-	-	(6,134)	-
Total	**108,445,933**	**(73,159,162)**	**-**	**435,368**	**-**	**(6,134)**	**-**

(All amounts are in United States Dollars - 'USD'; unless stated otherwise)

14. Related Party Transactions (continued)

Related Party Transactions for the year ended 31 December 2021

Nature of transaction	Airtel Madagascar S.A.	Bharti Airtel Madagascar Holdings B.V	Montana International	Bharti Rwanda Holdings Limited	Societe Malgache de Telephone Cellulaire S.A	Bharti Airtel Africa BV	Channel Sea Management Company (Mauritius) Limited
Opening Balance as on 01 January 2021	**128,342,499**	**(93,130,166)**	**122,525**	**304,025**	**191,982**	**(1,531)**	**(100,092)**
Expenses paid by the Company	-	-	4,644	-	13,856	-	14,045
Payment received from related party	-	-	-	-	(205,838)	-	-
Payment to related party	-	-	40,000	-	-	-	-
Assignment of payable from related party	-	-	-	-	-	(4,603)	-
Assignment of receivable from related party	-	-	-	131,343	-	-	87,652
Transferred as cost of investment in associate	-	-	(126,096)	-	-	-	-
Loan received from parent company during the year	-	(80,000)	-	-	-	-	-
Loan repaid to parent company during the year	-	38,075,066	-	-	-	-	-
Loan repaid by subsidiary during the year	(38,075,066)	-	-	-	-	-	-
Payment of unpaid share capital	-	-	40	-	-	-	-
Outstanding balance as at 31 December 2021							
Loan receivable	89,359,679	-	-	-	-	-	-
Borrowing	-	(54,944,394)	-	-	-	-	-
Other Receivables	907,754	-	41,113	435,368	-	-	1,605
Other Payables	-	(190,706)	-	-	-	(6,134)	-
Total	**90,267,433**	**(55,135,100)**	**41,113**	**435,368**	**-**	**(6,134)**	**1,605**

(All amounts are in United States Dollars - 'USD'; unless stated otherwise)

14. Related Party Transactions (continued)

Key Management Services	31 December 2022	31 December 2021
Ocorian Corporate Services (Mauritius) Limited - Administrator		
Expense including directors fee incurred by the Company	10,602	4,972
Outstanding Balance	814	621

15. Parent company

The directors consider Bharti Airtel Madagascar Holdings B.V, a company incorporated in the Netherlands, as the Company's parent and Airtel Africa Plc, a company incorporated in London, United Kingdom as the Company's step-up parent.

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

16. Subsequent event

No events or transactions have occurred since the date of balance sheet or are pending that would have a material effect on the financial statements as at and for the year ended 31 December 2022.