Airtel Africa Mauritius Limited

Audited Financial Statements

March 31, 2022

Airtel Africa Mauritius Limited

Audited Financial Statements – March 31, 2022

Contents

			Date of appointment
DIRECTORS	:	Savinilorna Payandi-Pillay Ramen	March 9, 2022
		Mukesh Hassanand Bhavnani	November 25, 2021
		Naushad Ally Sohoboo (ceased to be Director w.e.f. March 9, 2022)	June 28, 2018
		Jantina Catharina Van De Vreede	June 28, 2018
		Pravin Surana (ceased to be Director w.e.f. November 25, 2021)	January 1, 2020
ADMINISTRATOR AND SECRETARY	:	IQ EQ Corporate Services (Mauritius) Ltd 33 Edith Cavell Street Port Louis, 11324 Republic of Mauritius	
REGISTERED OFFICE	:	IQ EQ Corporate Services (Mauritius) Ltd 33 Edith Cavell Street Port Louis, 11324 Republic of Mauritius	
BANKER	:	Standard Chartered Bank (Mauritius) Limited 19, Baker street, 6th floor Standard Chartered Tower, Cybercity, Ebene - 72201 Republic of Mauritius	
AUDITOR	:	Deloitte 7th - 8th Floor, Standard Chartered Tower, 19 – 21 Bank Street, Cybercity Ebene Republic of Mauritius	

The Directors present their commentary, together with the audited Financial Statements of Airtel Africa Mauritius Limited (the 'Company') for the year ended March 31, 2022.

PRINCIPAL ACTIVITY

The Company is principally engaged in investments holding.

DIVIDENDS

The Directors do not recommend the payment of any dividend for the year.

DIRECTORS

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

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Company's directors are responsible for the preparation and fair presentation of the Financial Statements, comprising the Statement of Financial Position at March 31, 2022, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended, and the notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards ('IFRS') and comply with the Mauritius Companies Act 2001 and for such internal controls which are necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR

The Board of Directors has recommended the appointment of Deloitte as auditor for the year 2022-23. Deloitte has confirmed its willingness / eligibility to continue in office and a resolution concerning its re-appointment will be proposed at the next Annual General Meeting of shareholder.

We certify that, to the best of our knowledge and belief, that the Company has filed with the Registrar of Companies, all such returns as are required of Airtel Africa Mauritius Limited under section 166(d) of Mauritius Companies Act 2001, for the year ended March 31, 2022.

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

Date: July 5, 2022

Independent Auditor's Report

Deloitte.

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

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Airtel Africa Mauritius Limited** (the "Company") set out on pages 8 to 26, which comprise the statement of financial position as at 31 March 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 March 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.

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' Code of Ethics for Professional Accountants *(including International Independence Standards)* (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Basis of preparation

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

Other information

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

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

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

Responsibilities of directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

Deloitte.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

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

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

Use of this report

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

Deloitte.

Deloitte
Chartered Accountants
08 July 2022

Agrawal.

Vishal Agrawal, FCA
Licensed by FRC

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

		For the year ended	
	Notes	**March 31, 2022**	**March 31, 2021**
Income			
Dividend income		94,729,896	94,722,329
Other income		-	7,667
		94,729,896	**94,729,996**
Expenses			
Finance costs	5	4,591,092	7,616,061
Other operating expenses	6	127,225	130,270
		4,718,317	**7,746,331**
Profit before tax		**90,011,579**	**86,983,665**
Income tax	7	1,000,260	-
Profit after tax for the year		**89,011,319**	**86,983,665**
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**89,011,319**	**86,983,665**

The accompanying notes 1 to 16 form an integral part of these Financial Statements.

Approved by the Board of Directors on July 5, 2022 and signed on its behalf by:

SPayRamen

Savinilorna Payandi Pillay Ramen

Director

Mukesh Hassanand Bhavnani

Director

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

	Notes	As of March 31, 2022	As of March 31, 2021
ASSETS			
Non-current assets			
Investment in a subsidiary	8	2,250,926,979	2,250,926,979
		2,250,926,979	**2,250,926,979**
Current assets			
Cash and cash equivalents	9	77,889	6,585
		77,889	**6,585**
Total assets		**2,251,004,868**	**2,250,933,564**
EQUITY AND LIABILITIES			
Equity			
Share capital	10	2,105,183,804	2,105,183,804
Retained earnings		(211,288,066)	(300,299,385)
Total equity		**1,893,895,738**	**1,804,884,419**
Current liabilities			
Loan	11	341,582,790	432,788,098
Other payables	12	14,526,080	13,261,047
Current tax liabilities		1,000,260	-
Total liabilities		**357,109,130**	**446,049,145**
Total equity and liabilities		**2,251,004,868**	**2,250,933,564**

The accompanying notes 1 to 16 form an integral part of these Financial Statements.

Approved by the Board of Directors on July 5, 2022 and signed on its behalf by:

SPayRamen

Savinilorna Payandi Pillay Ramen

Director

Mukesh Hassanand Bhavnani

Director

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

	Share capital		Retained earnings	Total equity
	No. of shares	Amount		
As of April 1, 2020	**2,105,183,804**	**2,105,183,804**	**(387,283,050)**	**1,717,900,754**
Profit for the year	-	-	86,983,665	86,983,665
Total comprehensive income	-	-	**86,983,665**	**86,983,665**
As of March 31, 2021	**2,105,183,804**	**2,105,183,804**	**(300,299,385)**	**1,804,884,419**
Profit for the year	-	-	89,011,319	89,011,319
Total comprehensive income	-	-	**89,011,319**	**89,011,319**
As of March 31, 2022	**2,105,183,804**	**2,105,183,804**	**(211,288,066)**	**1,893,895,738**

The accompanying notes 1 to 16 form an integral part of these Financial Statements.

Approved by the Board of Directors on July 5, 2022 and signed on its behalf by:

SPayRamen

Savinilorna Payandi Pillay Ramen

Director

Mukesh Hassanand Bhavnani

Director

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

	For the year ended	
	March 31, 2022	**March 31, 2021**
Cash flow from operating activities		
Profit before tax	90,011,579	86,983,665
Adjustments for:		
Finance costs	4,591,092	7,616,061
Operating cash flows before changes in assets and liabilities	94,602,671	94,599,726
Changes in assets and liabilities :		
Other payables	325	326
Net cash generated from operations before tax	94,602,996	94,600,052
Income tax paid	-	-
Net cash generated from operating activities (a)	**94,602,996**	**94,600,052**
Cash flow from investing activities		
Net cash generated from investing activities (b)	-	-
Cash flow from financing activities		
Interest on loan from related party	(3,322,691)	(2,192,129)
Bank Charges	(3,693)	(2,499)
Repayments of loan from related party (net)	(91,205,308)	(92,462,792)
Net cash used in financing activities (c)	**(94,531,692)**	**(94,657,420)**
Net decrease in cash and cash equivalents during the year (a)+(b)+(c)	71,304	(57,368)
Cash and Cash Equivalents as at beginning of the year	6,585	63,953
Cash and cash equivalents as at end of the year	**77,889**	**6,585**

The accompanying notes 1 to 16 form an integral part of these Financial Statements.

Approved by the Board of Directors on July 5, 2022 and signed on its behalf by:

SPayRamen

Savinilorna Payandi Pillay Ramen

Director

Mukesh Hassanand Bhavnani

Director

1. CORPORATE INFORMATION

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

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

The Company is a wholly owned subsidiary of Network i2i Limited, a Company domiciled and incorporated in Mauritius. Bharti Airtel Limited, the intermediate parent Company, is incorporated in India and listed on the stock exchange in India.

2.1 BASIS OF PREPARATION

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

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

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

The significant accounting policies used in preparing the Financial Statements are set out in note 2.2 of the notes to the Financial Statements.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial instruments

a. Recognition, classification and presentation

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

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

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

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

Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the Statement of Financial Position, if and only when, the Company currently has a legally enforceable right to set-off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

b. Measurement – Non-derivative financial instruments

I. Initial measurement

At initial recognition, the Company measures the non-derivative financial instruments (except off-market financial guarantee) at its fair value plus, in the case of a financial instruments not at fair value through profit or loss, transaction costs. Otherwise transaction costs are expensed in the statement of profit and loss. Any off-market financial guarantees, issued in relation to obligations of subsidiaries, are initially recognised at fair value (as part of the cost of the investment in the subsidiary).

II. Subsequent measurement - financial assets

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

i. Financial assets measured at amortised cost

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 other income.

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

- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

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

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

Amortised cost and effective interest method

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

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

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

iii. Impairment

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

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

iv. Derecognition of financial assets

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

III. Subsequent measurement - financial liabilities

i. Financial liabilities measured at amortised cost

Any off-market financial guarantees are amortised over the life of the guarantee and are measured at each reporting date at the higher of (i) the remaining unamortised balance of the amount at initial recognition and (ii) the best estimate of expenditure required to settle the obligation at the end of the reporting period.

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

ii. Effective interest method

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

iii. Derecognition of financial liabilities

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

c. Measurement - derivative financial instruments

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

B. Foreign currency transactions

a. Functional currency

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

b. Transactions and balances

Transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in profit and loss within finance costs / Other income. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical cost.

C. 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.

D. Taxes

Current tax

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

- Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

- Deferred tax assets are recognised to the extent that it is probable that taxable profit will be -available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, The Company considers the projected future taxable income and tax planning strategies in making this assessment, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

E. Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to unwinding of discount over passage of time is recognised within finance costs.

F. Share capital

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

G. Expense recognition

Expenses are accounted for in profit and loss on accrual basis.

H. 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.

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

I. Related parties

Related parties are individuals and companies where the individual or Company has the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial and operating policy decisions.

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

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

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

S. No.	Improvements/ Amendments to Standards	Effective date- annual periods beginning on or after
1.	IFRS 7 Financial Instruments: Disclosures – Amendments regarding Interest Rate Benchmark Reforms – Phase 2	January 1, 2021
2.	IFRS 9 Financial Instruments - Amendments regarding Interest Rate Benchmark Reforms – Phase 2	January 1, 2021

3.2 New and revised Standards in issue but not yet effective

S. No.	Improvements/ Amendments to Standards	Effective date- annual periods beginning on or after
5.	IAS 1 Presentation of Financial Statements- Classification of Liabilities as Current or Non-current	January 1, 2023
6.	IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors- Definition of Accounting Estimates	January 1, 2023
7.	IAS 1 Presentation of Financial Statements- Disclosure of Accounting Policies	January 1, 2023
8.	IAS 12 Income Taxes- Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023

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

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Significant accounting judgements in applying the Company's accounting policies

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

Judgements

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

Impairment reviews

The Company conducts impairment reviews of investments in subsidiary 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 based on future cash flows, after taking into account past experience and management's best estimate about future developments. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on existing market conditions as well as forward looking estimates at the end of each reporting period.

Determination of functional currency

The Company has determined its functional currency as USD which is the currency of the primary economic environment in which it operates. The management has considered the factors as prescribed in IAS 21 "The Effects of Changes in Foreign Exchange Rates" for determining the functional currency. The items included in the Financial Statements are measured using that functional currency.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, and over the recognition of deferred taxes. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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

5. Finance costs

	For the year ended	
	March 31, 2022	**March 31, 2021**
Bank charges	3,693	2,499
Interest on loan (refer note 11 and 13)	4,587,399	7,613,562
	4,591,092	**7,616,061**

6. Other operating expenses

	For the year ended	
	March 31, 2022	**March 31, 2021**
Legal and professional fees	121,850	124,895
Audit fees	5,375	5,375
	127,225	**130,270**

7. Income tax

For the year ended March 31, 2022, the Company is subject to income tax in Mauritius on its net income at 15%. However, the Company was entitled to a tax credit equivalent to the higher of the actual foreign tax suffered (Foreign Tax Credit) and 80% of the Mauritius tax on its foreign source income, thereby giving an effective tax rate of 3%. With effect from January 1, 2019, the Foreign Tax Credit available to the Company has been abolished by Mauritius Finance (Miscellaneous Provisions) Act 2018 (Finance Act), with introduction of 80% partial exemption regime whereby an income tax exemption of 80% on the following categories of income is applicable, provided that the pre-defined substance requirements issued by the Financial Service Commission (FSC) are met:

- Foreign-source dividend (not allowed as deduction in source country).
- Interest income
- Profit attributable to a permanent establishment (PE) that a resident company has in a foreign country.

GBL license issued on or before October 16, 2017, will remain governed under the existing provisions of the Financial Services Act 2007 until June 30, 2021, after which it will be deemed to be a Global Business Licence ('GBL').

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

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

	For the year ended	
	March 31, 2022	**March 31, 2021**
Profit before tax	90,011,579	86,983,665
Tax expense at 15%	13,501,737	13,047,550
Expenses not allowed	2,768,979	9,620,160
Foreign tax credit claimed	(15,270,456)	(22,667,710)
Income tax expense	**1,000,260**	-

8. Investment in subsidiary

	As of	
	March 31, 2022	**March 31, 2021**
Investment in Airtel Africa plc	2,250,926,979	2,250,926,979
	2,250,926,979	**2,250,926,979**

Name of Company	Country of incorporation	Principal activity	Proportion (%) of ownership interest
Airtel Africa plc	United Kingdom	Investment holding	56.01 % (March 31, 2021 : 56.01%)

9. Cash & cash equivalents

	As of	
	March 31, 2022	**March 31, 2021**
Cash at bank	77,889	6,585
	77,889	**6,585**

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

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

10. Share Capital

	As of	
	March 31, 2022	March 31, 2021
Issued and fully paid:		
2,105,183,804 ordinary shares of shares of USD 1 each (March 31, 2021: 2,105,183,804 ordinary shares of USD 1 each)	2,105,183,804	2,105,183,804
	2,105,183,804	**2,105,183,804**

Terms/rights attached to equity shares

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

a. Details of shareholder

	As of			
	March 31, 2022		March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Equity shares of USD 1 each fully paid				
Network i2i limited	2,105,183,804	100%	2,105,183,804	100%

11. Loan

	As of	
	March 31, 2022	March 31, 2021
Loan from parent company	341,582,790	432,788,098
	341,582,790	**432,788,098**

The amount due to Network i2i Limited, amounting to USD 341,582,790 and USD 432,788,098 as of March 31, 2022 and March 31, 2021 is unsecured and interest-bearing at average rate of 1.17341% and 1.55156% for March 31, 2022 and March 31, 2021 Inter-bank Offered Rate ("LIBOR") for the three-month period plus 100 basis points. Further, the interest charged on the above balance amounting to USD 4,587,399 and USD 7,613,562 for the year ended March 31, 2022 and March 31, 2021. The amount is repayable to Network i2i Limited on demand.

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

12. Other payables

	As of	
	March 31, 2022	March 31, 2021
Audit fees	6,025	5,700
Interest payable to parent company	14,520,055	13,255,347
	14,526,080	**13,261,047**

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

13. RELATED PARTY DISCLOSURES

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

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

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

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

As of March 31, 2022

	Network i2i Limited	Airtel Africa plc
Loan payable	341,582,790	-
Investment	-	2,250,926,979
Interest payable	14,520,055	-

As of March 31, 2021

	Network i2i Limited	Airtel Africa plc
Loan payable	432,788,098	-
Investment	-	2,250,926,979
Interest payable	13,255,347	-

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

The Significant related party transactions are mentioned below:

For the year ended March 31, 2022:

Nature of transactions	Network i2i Limited	Airtel Africa plc	IQ EQ Corporate Services Mauritius Ltd
Transactions			
Loan from parent company (net)	(91,205,308)	-	-
Interest expense on loan from parent company	4,587,399	-	-
Dividend received	-	94,729,896	-
Legal & professional charges	-	-	12,600

For the year ended March 31, 2021:

Nature of transactions	Network i2i Limited	Airtel Africa plc	IQ EQ Corporate Services Mauritius Ltd
Transactions			
Loan from parent company (net)	(92,462,792)	-	-
Interest expense on loan from parent company	7,613,562	-	-
Dividend received	-	94,722,329	-
Legal & professional charges	-	-	9,150

14. Financial Risk Management Objectives and policies

Financial risk factors

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

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

a. Interest rate risk

The Company's interest rate risk arises mainly from loan taken from related parties as follows:

	Increase / decrease (basis points)	Effect on profit before tax
For the year ended March 31, 2022		
US dollar - borrowings	+20	683,166
	-20	(683,166)
For the year ended March 31, 2021		
US dollar - borrowings	+20	(865,576)
	-20	865,576

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

b. Credit risk

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

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

	Note	Gross carrying amount	Loss allowance	Net carrying amount
As of March 31, 2022				
Cash and cash equivalents	9	77,889	-	77,889
As of March 31, 2021				
Cash and cash equivalents	9	6,585	-	6,585

c. Liquidity risk

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

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

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, 2021	**Cash Flows**	**Interest Expenses**	**March 31, 2022**
Borrowings	432,788,098	(91,205,308)	-	341,582,790
Interest accrued	13,255,347	(3,322,691)	4,587,399	14,520,055

d. 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 it is operating in its functional currency.

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

e. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder's value.
The Company considers its equity as capital and manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholder, return capital to the shareholder or issue new shares. The details of equity is as follows:

	As of	
	March 31, 2022	**March 31, 2021**
Total equity	1,893,895,738	1,804,884,419
	1,893,895,738	1,804,884,419

Financial instruments by category

	As of	
	March 31, 2022	**March 31, 2021**
Financial Assets		
Amortised cost:		
Cash and cash equivalents	77,889	6,585
	77,889	**6,585**
Financial Liabilities		
Amortised cost:		
Loan from parent company	341,582,790	432,788,098
Other payables	14,526,080	13,261,047
	356,108,870	**446,049,145**

15. Events after reporting date

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

16. Going concern

As at March 31, 2022, the Company had net current liabilities of USD 357,031,241 (March 31, 2021 USD 446,042,560). The Financial Statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued financial support of the intermediate parent company; Bharti Airtel Limited.The Directors are of the opinion that this support will be forthcoming over the next twelve months and therefore believe that it is appropriate for the Financial Statements to be prepared on a going concern basis.