CHANNEL SEA MANAGEMENT COMPANY
(MAURITIUS) LIMITED

Audited Financial Statements

31 December 2020

CHANNEL SEA MANAGEMENT COMPANY (MAURITIUS) LIMITED

Audited Financial Statements
For the year ended 31 December, 2020

Contents

		Date of Appointment
DIRECTORS	: Jantina Catharina Van De Vreede	26 November, 2010
	Devananda Naraidoo	14 February, 2011
	Rishal Tanee (resigned on 14 January, 2021)	01 December, 2017
	Bhoomija Juwaheer (resigned on 30 June, 2020) (alternated to Devananda Naraidoo)	27 March, 2013
	Vassudha Devi Beethue	14 January, 2021

ADMINISTRATOR AND SECRETARY : Ocorian Corporate Services (Mauritius) Limited
6th Floor, Tower A
1 Cybercity
Ebene
Mauritius

REGISTERED OFFICE : 6th Floor, Tower A
1 Cybercity
Ebene
Mauritius

BANKER : HSBC Bank (Mauritius) Limited
6th Floor, HSBC Centre
18, Cybercity
Ebene
Reduit 72201
Mauritius

AUDITOR : Deloitte
7th and 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 Channel Sea Management Company (Mauritius) Limited (the 'Company') for the year ended 31 December, 2020.

PRINCIPAL ACTIVITY

The principal activity of the Company is investment holding.

RESULTS AND DIVIDENDS

The Company's loss for the year ended 31 December 2020 is USD 14,650 (2019: Loss USD 14,772).

The directors do not recommend the payment of a dividend for the year under review (2019 - 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 KENNY PARAMASEEVEN CURPEN, TEP
FOR
OCORIAN CORPORATE
SERVICES (MAURITIUS) LIMITED

SECRETARY

OCORIAN CORPORATE SERVICES (MAURITIUS) LIMITED

Dated : 16 June 2021

SECRETARY'S CERTIFICATE

TO THE MEMBER OF CHANNEL SEA MANAGEMENT COMPANY (MAURITIUS) 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 2020.

Dated 16 June 2021

KENNY PARAMASEEVEN CURPEN, TEP
FOR
OCORIAN CORPORATE
SERVICES (MAURITIUS) LIMITED

Ocorian Corporate Services (Mauritius) Limited
Secretary

Deloitte.

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

Independent auditor's report to the Shareholders of Channel Sea Management Company (Mauritius) Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Channel Sea Management Company (Mauritius) Limited** (the "Company") set out on pages 7 to 24, which comprise the statement of financial position as at 31 December 2020, 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 2020, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 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 Standard 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.

Other information

The directors are responsible for the other information. The other information comprises the Commentary of the Directors and the Certificate from the Company's 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 accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 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 Shareholders of Channel Sea Management Company (Mauritius) Limited (Cont'd)

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

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 shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte.

Deloitte

Chartered Accountants

16 June 2021

Agrawal.

Vishal Agrawal, FCA

Licensed by FRC

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2020

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

	Notes	For the year ended 31 December, 2020	For the year ended 31 December, 2019
Expenses			
License and registration fees		2,000	1,800
Secretarial and administration fees		3,225	3,230
Directors' fees		1,500	1,500
Domiciliation fees		800	800
Accountancy fees		1,000	1,000
Audit fees		5,605	4,556
Legal and professional fees		-	1,536
Taxation fees		250	250
Bank charges		270	100
Total Expenses		**14,650**	**14,772**
Loss before tax		**(14,650)**	**(14,772)**
Income tax expense	6	-	-
Loss for the year		(14,650)	(14,772)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		**(14,650)**	**(14,772)**

The notes on pages 11 to 24 form an integral part of these financials statements.

CHANNEL SEA MANAGEMENT COMPANY (MAURITIUS) LIMITED
Statement of Financial Position as at 31 December 2020
(All amounts are in United States Dollars - 'USD')

	Notes	As at 31 December, 2020	As at 31 December, 2019
ASSETS			
Non-current assets			
Investment in associate	7	-	-
Current assets			
Other receivables and prepayments	8	471,564	486,339
Cash and cash equivalents		427	697
		471,991	**487,036**
Total assets		**471,991**	**487,036**
EQUITY AND LIABILITIES			
Shareholders' funds			
Stated capital	9	10,000	10,000
Retained earnings		452,752	467,402
Total equity		**462,752**	**477,402**
Current liabilities			
Other payables and accrued expenses	10	9,239	9,634
Total liabilities		**9,239**	**9,634**
Total equity and liabilities		**471,991**	**487,036**

Approved by the Board of directors on 16 June 2021 and signed on its behalf by:

Vassudha Beethue

Director

Devananda Naraidoo

Director

The notes on pages 11 to 24 form an integral part of these financials statements.

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

	Stated capital			
	No of shares	Amount	Retained earnings	Total equity
As of January 1, 2019	100	10,000	482,174	492,174
Loss for the year	-	-	(14,772)	(14,772)
Other comprehensive profit	-	-		-
Total comprehensive loss	**-**	**-**	**(14,772)**	**(14,772)**
As of December 31, 2019	**100**	**10,000**	**467,402**	**477,402**
Loss for the year	-	-	(14,650)	(14,650)
Other comprehensive profit	-	-	-	-
Total comprehensive loss	**-**	**-**	**(14,650)**	**(14,650)**
As of December 31, 2020	**100**	**10,000**	**452,752**	**462,752**

The notes on pages 11 to 24 form an integral part of these financials statements.

CHANNEL SEA MANAGEMENT COMPANY (MAURITIUS) LIMITED
Statement of Cash Flows for the year ended 31 December 2020
(All amounts are in United States Dollars - 'USD')

	For the year ended December 31, 2020	For the year ended December 31, 2019
Cash flow from Operating activities		
Loss before tax	(14,650)	(14,772)
Adjustments for:		
Expenses paid by other related party on behalf of the Company	14,775	12,400
Operating cash flows before changes in working capital	125	(2,372)
Changes in working capital :		
(Decrease)/Increase in Other payables and accrued expenses	(395)	1,297
Net cash flows used in operating activities	**(270)**	**(1,075)**
Net movement in cash and cash equivalents during the year	(270)	(1,075)
Cash and Cash Equivalents as at beginning of the year	697	1,772
Cash and cash equivalents as at end of the year	**427**	**697**

The notes on pages 11 to 24 form an integral part of these financials statements.

1. Corporate information

Channel Sea Management Company (Mauritius) Limited (the "Company") is a private limited company incorporated in Mauritius, holds a Category 1 Global Business Licence under the Financial Services Act 2007 and is regulated by Financial Services Commission. The Company's registered office is 6th Floor, Tower A, 1 Cyber City, Ebene, Republic of 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

In the current year, the Company has applied new and revised standards and interpretations issued by International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRC") of the IASB are relevant to its operations and effective for accounting periods beginning on 01 January 2020.

IAS 1 - Presentation of financial statements - Amendments regarding the definition of material.

IAS 8 - Accounting policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of material.

IAS 39 - Financial Instruments: Recognition and Measurement - Amendments regarding pre-replacement issues in the context of the IBOR reform.

IFRS 7 - Financial Instruments: Disclosures – Amendments regarding pre-replacement issues in the context of the IBOR reform.

IFRS 9 - Financial Instruments - Amendments regarding pre-replacement issues in the context of the IBOR reform.

2.2 New and revised Standards in issue but not yet effective

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

IAS 1 Presentation of Financial Statements - Amendments regarding classification of liabilities (effective 1 January 2023)

IAS 1 Presentation of Financial Statements - Amendment to defer the effective date of the January 2020 amendments (effective 1 January 2023)

IAS 1 Presentation of Financial Statements - Amendment regarding the disclosure of accounting policies (effective 1 January 2023)

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Amendment regarding the definition of accounting estimates (effective 1 January 2023)

IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous (effective 1 January 2022).

2. Application of new and revised international financial reporting standards (Continued)

2.2 New and revised Standards in issue but not yet effective (Continued)

IAS 39 Financial Instruments: Recognition and Measurement Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)

IFRS 7 Financial Instruments: Disclosures - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)

IFRS 9 Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities) (effective 1 January 2022)

IFRS 9 Financial Instruments - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)

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.

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 and in compliance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations. The financial statements have been prepared under the historical cost convention except that relevant financial assets and liabilities are stated at fair value, or carried at amortised cost as appropriate.

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.

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 translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

3. Summary of significant accounting policies (Continued)

Current and deferred income tax

The tax expense for the year comprises of current tax only. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the country where the Company operates and generates 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 in full, 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 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 on accumulated tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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 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 acquistion changes in the share of net assets of the associate, less any impairment in the value of of the individual investments.The goodwill is included within the carrying amount of the investment.

The Company's share of its associates' post acquistion 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.

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.

3. Summary of significant accounting policies (Continued)

Financial instruments (Continued)

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.

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.

3. Summary of significant accounting policies (Continued)

Financial instruments (Continued)

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.

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 profit and loss 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 judgments 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.

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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 fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company has no exposure to foreign exchange risk as it doec not have any assets or liabilities which are denominated in foreign currencies.

(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 are 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')

(c) Liquidity risk (continued)

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2020 based on contractual undiscounted payments:

December 31, 2020	On Demand	Within 1 year	More than 1 year	Total
Other payables and accrued expenses	1,533	7,706	-	9,239
	1,533	**7,706**	-	**9,239**

December 31, 2019	On Demand	Within 1 year	More than 1 year	Total
Other payables and accrued expenses	1,533	8,101	-	9,634
	1,533	**8,101**	-	**9,634**

(d) Fair values

The carrying amounts of the other receivables, cash and cash equivalents and other payables and accrued expenses approximate their fair values.

(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 shareholder. Capital comprises equity and retained earnings. In order to maintain or adjust the capital structure, the Company may issue new shares or have recourse to its parent for funding, sell its investment or vary the amount of dividends or return capital to the shareholder.

(f) Financial instruments by category

Financial Assets	As of 31 December, 2020	As of 31 December, 2019
Amortised cost:		
Other Receivables	471,564	486,339
Cash & Cash Equivalents	427	697
	471,991	**487,036**

Financial Liabilities	As of 31 December, 2020	As of 31 December, 2019
Amortised cost:		
Other payables and accrued expenses	9,239	9,634
	9,239	**9,634**

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

6. Income tax

Upto December 2018, 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 1 January 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.

GBC1 license issued on or before 16 October 2017 will remain governed under the existing provisions of the Financial Services Act 2007 until 30 June 2021, after which it will be deemed to be a Global Business License (GBL).

The foregoing is based on current interpretation and practice and is subject to any future changes in the Mauritian tax laws. At 31 December 2020, the Company had accumulated tax losses of **USD 114,189** (2019: USD 135,839).

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, 2020
31 December 2021	35,970
31 December 2022	28,532
31 December 2023	20,265
31 December 2024	14,772
31 December 2025	14,650
	114,189

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

	As of 31 December, 2020	As of 31 December, 2019
Loss before tax	(14,650)	(14,772)
Income tax @ 15%	(2,197)	(2,216)
Impact of:		
Unutilized tax loss	2,197	2,216
Income tax credit	-	-

Deferred tax asset amounting to **USD 3,425** (2019: USD 4,075) has not been recognised 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.

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

7. Investment in associate

The investment consists of 49 ordinary shares of USD 100 each representing 49% of the issued share capital of Celtel (Mauritius) Holdings Limited ("CMHL"), an unquoted company incorporated in the Republic of Mauritius. CMHL holds a controlling interest in the issued share capital of Airtel Madagascar SA, a telecommunication company operating a GSM network in the Republic of Madagascar.

The Company's cost of investment in the associate amounting to USD 4,900 was fully impaired in previous years.

Summarised financial information of the associate:

Particulars	Unaudited 31 December, 2020	Unaudited 31 December, 2019
Current Assets	37,197,397	22,668,057
Non-Current Assets	65,897,643	75,135,798
Current Liabilities	195,359,784	173,785,675
Non-Current Liabilities	9,685,445	8,762,031
Net Assets	(101,950,189)	(84,743,851)
Non controlling interest	(30,917,164)	(27,055,052)
Net Assets (including non controlling interest)	**(71,033,025)**	**(57,688,799)**
Share of Associate's Net Assets	**(34,806,182)**	**(28,267,511)**
Total revenue for the year	34,701,725	39,811,030
Total loss for the year	(18,220,657)	(12,664,643)
Total losses - cumulative	(94,703,848)	(76,483,191)
Other comprehensive income / (loss) for the year	4,876,430	3,541,521
Total comprehensive loss for the year	(13,344,227)	(9,123,122)
Cumulative Other comprehensive income	23,660,823	18,784,393
Total comprehensive losses - cumulative	(71,043,025)	(57,698,799)
Impact of application of IFRS 16 on cumulative losses	-	(1,665,134)
Share of Associate's loss for the year absorbed	-	-
Share of Unabsorbed losses - cumulative	**(27,992,831)**	**(21,454,160)**
Share of Unabsorbed loss for the year	**(6,538,671)**	**(5,286,245)**

Reconciliation of above summarised financial information to the carrying amount of the interest in Celtel (Mauritius) Holdings Limited recognised:

Particulars	Unaudited 31 December, 2020	Unaudited 31 December, 2019
Share in Net Asset of the associate	(34,806,182)	(28,267,511)
Percentage of Company's ownership interest in the associate	49%	49%
Goodwill	6,813,351	6,813,351
Share of Unabsorbed losses - cumulative	(27,992,831)	(21,454,160)
Carrying amount of the Company's interest in the associate	-	-

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

8. Other receivables and prepayments

	As of 31 December, 2020	As of 31 December, 2019
Amount due from fellow subsidiaries (Note 11)	361,472	361,472
Amount due from associate (Note 11)	100,092	114,867
Unpaid share capital (Note 11)	10,000	10,000
	471,564	**486,339**

The directors consider that the carrying amount of related party receivables at 31 December 2020 are recoverable, and have not suffered any impairment.

9. Stated capital

	As of 31 December, 2020	As of 31 December, 2019
Issued capital:		
100 shares of USD 100 each	**10,000**	**10,000**

Shareholder

The Company's share is entirely held by Bharti Airtel Madagascar Holdings B.V and is unpaid. 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 the 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.

10. Other payables and accrued expenses

	As of 31 December, 2020	As of 31 December, 2019
Amount due to other related parties (Refer Note 11)	1,533	1,533
Accruals	7,706	8,101
	9,239	**9,634**

11. Related Party Transactions

During the year under review, the Company entered into transactions with related parties. Amounts due to/from related parties are unsecured, interest free and repayable on demand. The nature, volume of transaction and the balances with the related parties are as follows:

Entity Name	**Relationship**
Bharti Airtel Africa B.V.	Intermediate Holding Company
Bharti Airtel Madagascar Holdings B.V.	Immediate Holding Company
Celtel (Maurititus) Holdings Limited	Associated Company
Montana International	Fellow Subsidiary Company
Societe Malgache de Telephone Cellulaire SA	Fellow Subsidiary Company
Bharti Airtel Rwanda Holdings Limited	Fellow Subsidiary Company

Key Management Services	**31 December, 2020**	**31 December, 2019**
Ocorian Corporate Services (Mauritius) Limited - Administrator		
Expense including directors fee incurred by the Company	6,775	6,780
Outstanding balance	625	-

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

11. Related Party Transactions (continued)

Related Party Transactions for the year ended 31 December, 2020

Nature of transaction	Celtel (Mauritius) Holdings Limited	Montana International	Societe Malgache de Telephone Cellulaire S.A	Bharti Airtel Rwanda Holdings Limited	Bharti Airtel Madagascar Holding B.V.	Bharti Airtel Africa BV
Opening Balance as on 01 January, 2020	**114,867**	**96,040**	**134,089**	**131,343**	**10,000**	**(1,533)**
Expenses incurred on behalf of the company	(14,775)	-	-	-	-	-
Expenses incurred by the company	-	-	-	-	-	-
Outstanding balance as at 31 December, 2020						
Other receivables	100,092	96,040	134,089	131,343	-	-
Other Payables	-	-	-	-	-	(1,533)
Receivable-Unpaid Share Capital	-	-	-	-	10,000	-
Total	**100,092**	**96,040**	**134,089**	**131,343**	**10,000**	**(1,533)**

Related Party Transactions for the year ended 31 December, 2019

Nature of transaction	Celtel (Mauritius) Holdings Limited	Montana International	Societe Malgache de Telephone Cellulaire S.A	Bharti Airtel Rwanda Holdings Limited	Bharti Airtel Madagascar Holding B.V.	Bharti Airtel Africa BV
Opening Balance as on 01 January, 2019	**127,267**	**96,040**	**134,089**	**131,343**	**10,000**	**(1,533)**
Expenses incurred on behalf of the company	(12,400)	-	-	-	-	**(1,533)**
Expenses incurred by the company	-	-	-	-	-	-
Outstanding balance as at 31 December, 2019						
Other receivables	114,867	96,040	134,089	131,343	-	-
Other Payables	-	-	-	-	-	(1,533)
Receivable-Unpaid Share Capital	-	-	-	-	10,000	-
Total	**114,867**	**96,040**	**134,089**	**131,343**	**10,000**	**(1,533)**

12. Parent company

The directors consider Bharti Airtel Madagascar Holdings B.V, incorporated in 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 said company.

13. 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, 2020.

14. Covid 19

Pursuant to the gobal pandemic which spread in December 2019; the Company is continuously reviewing the current situation and is geared up to implement stringent procedures in line with Ministry of Health and World Health Organization 's guidelines so as to ensure that the health and safety of all our employees is not compromised.

Further, the Telecom sector remained a pivot sector admist these tough times providing unabated connectivity of network and data and hence there has been no material impact on its financial operations as most customers are using more data and airtime as a means of communication; and as a result of this; the Company does not have any material impact arising out of this pandemic on the investment it has made in its associate.