

INDIAN OCEAN TELECOM LIMITED

Audited Financial Statements

31 December 2019

Registration Number 70138

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INDIAN OCEAN TELECOM LIMITED

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2019**

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INDIAN OCEAN TELECOM LIMITED
Company Information

DIRECTORS : Jantina Catharina Van De Vreede
Siddharth Ahlawat

Date of Appointment
19 October, 2010
01 July, 2019

REGISTERED OFFICE : 28 Esplanade
St Helier
Jersey, JE2 3QA

BANKERS : HSBC Bank Plc Limited
HSBC House, Esplanade
St Helier, CI-JE1 1HS
Jersey

AUDITORS : Deloitte LLP
1 Little New Street
London
EC4A 3TR

INDIAN OCEAN TELECOM LIMITED

Director's Report

The directors present their annual report on the affairs of Indian Ocean Telecom Limited ('the Company'), together with the financial statements and auditor's report, for the year ended 31 December 2019.

Principal activities and future developments

The principal activity of the Company is that of investment holding. The Company holds 99.99% share capital of Airtel (Seychelles) Limited, which carries on the business of providing telecommunication services.

The directors do not anticipate any changes to the principal activity of the Company in the foreseeable future.

Results and Dividends

The Company's profit for the year ended 31 December, 2019 was USD **3,954,202** (2018: Profit USD 7,311,246). The profit during the year was due to dividend income from subsidiary, Airtel (Seychelles) Limited.

The directors do not recommend the payment of a dividend for the year under review (2018: USD Nil).

Events after the balance sheet date

1. In December 2019, there was an outbreak of Covid 19 in China. This, however, became widespread in a number of countries after the reporting date and was subsequently declared a pandemic by the World Health Organisation (WHO) in March 2020. The Company's subsidiary, Airtel (Seychelles) Limited has earned gross revenue of USD 10 million and EBITDA of USD 4 million during the half year ended 30 June, 2020. The directors have reasonable expectations that the Company has adequate resources to continue in operational existence for at least next 12 months from the date of signing these financial statements.
2. The Board of Directors of the Company's subsidiary - Airtel (Seychelles) Limited - declared final dividend of SCR 39,656,900 for the year ended 31 December, 2019 in the board meeting held on 22 June, 2020.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

The directors have assessed the potential impact that the global outbreak of Covid-19 has had on liquidity, performance and financial position of the Company for at least the next 12 months.

The financial forecasts, budgets, cash flow and liquidity assessments have been re-assessed for at least the next 12 months. The directors believe these forecasts have been prepared on a prudent basis.

The Company remains in a net current asset and net asset position at the balance sheet date and has low annual expenses due to its nature as a holding Company. The directors have reasonable expectations that the Company has adequate resources to continue in operational existence for at least next 12 months from the date of signing these financial statements.

Financial risk management objectives and policies

The Company's activities expose it to credit risk and liquidity risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation causing the other party to incur a loss. Taking into account that the Company financial assets consist of bank balances, credit risk is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its funding requirements. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a

INDIAN OCEAN TELECOM LIMITED
Director's Report

robust cash management system. In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of long-term and short-term debt finance.

Based on past performance and current expectations, the Company believes that the Cash and cash equivalents and cash generated from operations will satisfy its working capital needs and other liquidity requirements associated with its existing operations, through at least the next twelve months.

Directors

The directors of the Company who were in office during the year ended 31 December, 2019.

1. Jantina Catharina Van de Vreede (19 October, 2010 to date)
2. Sonal Kapasi (19 July, 2017 to 30 June, 2019)
3. Siddharth Ahlawat (01 July, 2019 to date)

Directors' indemnities

The Company is covered by Group-wide qualifying third party indemnity provisions for the benefit of its directors which were available throughout the year and remain in force at the date of this report.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Companies (Jersey) Law 1991. Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption, including the exemption from preparing a strategic report.

Approved by the Board and signed on its behalf by:



Jantina Catharina Van De Vreede
Director
Date: 23 July, 2020

Registered Office:
28 Esplanade
St Helier
Jersey JE2 3QA

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards, Financial Reporting Standard 102 section 1a ("FRS"). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these 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; 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 are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. 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.

Approved by the Board and signed on its behalf by:



Jantina Catharina Van De Vreede
Director
Date: 23 July, 2020

Registered Office:
28 Esplanade
St Helier
Jersey JE2 3QA

Independent auditor's report to the members of Indian Ocean Telecom Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Indian Ocean Telecom Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

We have audited the financial statements which comprise:

- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and 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.

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 (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies (Jersey) Law 1991

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

INDEPENDENT AUDITOR'S REPORT

Matters on which we are required to report by exception

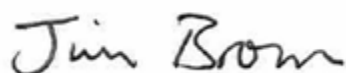
Under the Companies (Jersey) Law 1991 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



Jim Brown
(Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London

Date: 23 July, 2020

INDIAN OCEAN TELECOM LIMITED
Statement of Comprehensive Income
(All amounts are in United States Dollars - 'USD')

	Notes	For the year ended	
		December 31, 2019	December 31, 2018
Turnover	6	3,971,488	7,345,116
Total		3,971,488	7,345,116
Administrative expenses		16,864	28,587
Total		16,864	28,587
Operating profit		3,954,623	7,316,529
Interest payable and similar expenses	7	422	5,283
Profit before taxation	8	3,954,202	7,311,246
Taxation		-	-
Profit for the year		3,954,202	7,311,246
Other comprehensive income for the year		-	-
Total comprehensive income for the year		3,954,202	7,311,246

All amounts relate to continuing activities.

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

INDIAN OCEAN TELECOM LIMITED
Balance Sheet as at 31 December 2019
(All amounts are in United States Dollars - 'USD')

	Notes	As of	
		December 31, 2019	December 31, 2018
ASSETS			
Fixed assets			
Investment in subsidiary	9	14,718,580	14,718,580
Current assets			
Receivables	10	7,504,970	7,164,494
Dividend receivable	11	3,624,556	-
Cash at bank		1,988	3,914
Total current assets		11,131,514	7,168,408
Liabilities			
Current liabilities			
Creditors: amount falling due within one year	12	17,806	8,902
Net current assets		11,113,708	7,159,506
Total assets less current liabilities		25,832,288	21,878,086
EQUITY			
Share capital	13	2,500,000	2,500,000
Retained earnings		8,757,555	4,803,353
Capital Reserve		14,574,733	14,574,733
Total equity		25,832,288	21,878,086

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

The financial statements of Indian Ocean Telecom Limited (registered number 70138) were approved by the board of directors and authorised for issue on 23 July, 2020. They were signed on its behalf by:



Jantina Catharina Van De Vreede
Director

Date: 23 July, 2020

INDIAN OCEAN TELECOM LIMITED
Statement of Changes in Equity
(All amounts are in United States Dollars - 'USD')

	Stated capital		Capital Reserve	Retained earnings / (losses)	Total equity
	No of shares	Amount			
As of January 1, 2018	2,500,000	2,500,000	14,574,733	(2,507,893)	14,566,840
Profit for the year	-	-	-	7,311,246	7,311,246
Other comprehensive profit	-	-	-	-	-
Total comprehensive profit	-	-	-	7,311,246	7,311,246
As of December 31, 2018	2,500,000	2,500,000	14,574,733	4,803,353	21,878,086
Profit for the year	-	-	-	3,954,202	3,954,202
Other comprehensive profit	-	-	-	-	-
Total comprehensive profit	-	-	-	3,954,202	3,954,202
As of December 31, 2019	2,500,000	2,500,000	14,574,733	8,757,555	25,832,288

The amount now known as Capital Reserve relates to share application monies which was part of the acquisition of the Company in 2010.

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

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1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

Basis of preparation

These financial statements are standalone financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of Bharti Airtel Limited. The group accounts of Bharti Airtel Limited are available to public on the Company's website www.airtel.com.

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, Financial Reporting Standard 102 Section 1a- 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'). The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

a) General information and basis of accounting

Indian Ocean Telecom Limited (the "Company") is a private Company limited by Shares incorporated in Jersey, registration number 70138. The registered office is The 28 Esplanade, Jersey JE2 3QA. The principal activity of the Company is investment holding.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of Bharti Airtel Limited, the step up parent Company, which may be obtained at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110 070, India. Exemptions have been taken in these separate Company financial statements in relation to financial instruments and presentation of a cash flow statement.

The functional currency of the Company is considered to be United States Dollar ("USD") based on nature of Company's operations and this being the primary currency in which it transacts.

b) Going concern

The financial statements have been prepared on a going concern basis.

The directors have assessed the potential impact that the global outbreak of Covid-19 has had on liquidity, performance and financial position of the Company for at least the next 12 months.

The financial forecasts, budgets, cash flow and liquidity assessments have been re-assessed for at least the next 12 months. The directors believe these forecasts have been prepared on a prudent basis.

The Company remains in a net current asset and net asset position at the balance sheet date and has low annual expenses due to its nature as a holding Company.

The Company's subsidiary, Airtel (Seychelles) Limited has earned gross revenue of USD 10 million and EBITDA of USD 4 million during the half year ended 30 June, 2020. The directors have reasonable expectations that the Company has adequate resources to continue in operational existence for at least next 12 months from the date of signing these financial statements.

c) Investment in subsidiary

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to variable returns from its involvement from the entity, and has the ability to affect those returns through its power over the entity.

Investment in subsidiaries is measured on initial recognition at cost. Subsequently, on impairment assessment, investments in subsidiaries are measured at cost less impairment.

d) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

e) Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date. Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

f) Share capital

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

g) Foreign currency exchange

Monetary assets and liabilities denominated in foreign currencies are translated to US\$ at the exchange rate prevailing at balance sheet date. Transactions in foreign currencies are translated to US\$ at the exchange rate ruling at the date of transaction. Profits and losses arising from foreign currency transactions are dealt with through statement of profit and loss.

h) Cash at Bank and in hand

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.

i) Taxation

The Company is domiciled in Jersey, Channel Islands and any profits arising in the Company are subject to tax at the rate of 0%.

j) Deferred taxation

No provision has been made for taxation deferred in respect of any timing differences because in the opinion of the directors it is probable that a liability will not crystallise in the foreseeable future.

k) Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

l) Dividend Income

Dividend income from investments is recognised when the Company's rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

INDIAN OCEAN TELECOM LIMITED
Notes to the Financial Statements
(All amounts are in United States Dollars - 'USD')

Impairment assessment of investment in subsidiaries

The directors make a critical judgement in determining whether any impairment indicators exist for its investment. The Company follows the guidance of IAS 36 to determine when impairment indicators exist. Wherever, impairment indicators do exist, the Company is required to make a formal estimate of the value in use of its subsidiary, which requires significant judgement. The value-in-use calculations require the Company to estimate the future cash flows expected to be arise from the investment and suitable discount rates in order to calculate present values. In making a judgement as to whether impairment indicators exist as at 31 December, 2019, the directors concluded there was none. Refer to note 9 for details of the Company's investments.

3. DIRECTORS' REMUNERATION

During the period, the directors did not receive any remuneration, from any source, from the Company, for their services as directors of the Company.

4. AUDITOR'S REMUNERATION

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual accounts were USD 6,928 (2018: USD 6,474). There were no non-audit services in the year.

5. EMPLOYEES

During the year, the Company had no employees, and hence incurred no wages, salaries or related social security charges, nor during the previous period.

6. TURNOVER

	For the year ended	
	December 31, 2019	December 31, 2018
Dividend income	3,624,556	7,238,305
Interest income	346,932	106,811
	3,971,488	7,345,116

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	For the year ended	
	December 31, 2019	December 31, 2018
Interest expense	-	4,406
Bank charges	422	877
	422	5,283

8. PROFIT BEFORE TAXATION IS DISCLOSED AFTER CHARGING

	For the year ended	
	December 31, 2019	December 31, 2018
Audit fees	6,928	6,474
Legal & professional fees	2,426	2,426
Loss on foreign exchange	543	18,429

INDIAN OCEAN TELECOM LIMITED
Notes to the Financial Statements
(All amounts are in United States Dollars - 'USD')

9. INVESTMENT IN SUBSIDIARY

	As of	
	December 31, 2019	December 31, 2018
Airtel (Seychelles) Limited 35,967 shares of Seychelles rupees 1,000 each	14,718,580	14,718,580
	14,718,580	14,718,580

The above investment represents 99.99% of the issued share capital of the above Company. The Company has not prepared consolidated financial statements incorporating the results of Airtel (Seychelles) Limited as this is not required by FRS 102 Section 1a. Consequently the investment is measured at cost less impairment.

Details pertaining to the investment in subsidiary at 31 December 2019 are as follows:

Name of Company	Country of incorporation	Nature of business	Number of shares held	Ownership interest
Airtel (Seychelles) Limited	Seychelles	Telecommunication	35,967	99.99%

The directors have agreed that value of the unquoted investment is in line with cost and no impairment is required.

10. RECEIVABLES

	As of	
	December 31, 2019	December 31, 2018
Loan given to Bharti Airtel Africa BV	7,504,970	7,164,494
	7,504,970	7,164,494

Loan given to Bharti Airtel Africa BV	As of	
	December 31, 2019	December 31, 2018
At the beginning of the year	7,164,494	-
Less : Loan repayment	(6,456)	7,057,683
Add : Interest charged on Loan	346,932	106,811
	7,504,970	7,164,494

The loan is unsecured and repayable on demand. The calculated interest as at year end is 3 month libor+ 225 bps.

11. DIVIDEND RECEIVABLE

	As of	
	December 31, 2019	December 31, 2018
Dividend receivable	3,624,556	-
	3,624,556	-

INDIAN OCEAN TELECOM LIMITED
Notes to the Financial Statements
(All amounts are in United States Dollars - 'USD')

12. CREDITORS

	As of	
	December 31, 2019	December 31, 2018
Accrued expenses	17,806	8,902
	17,806	8,902

13. SHARE CAPITAL

	As of	
	December 31, 2019	December 31, 2018
Authorised 5,000,000 Ordinary shares of US\$ 1 each	5,000,000	5,000,000
Alloted, called up and fully paid 2,500,000 Ordinary shares of US\$ 1 each	2,500,000	2,500,000

14. RELATED PARTY TRANSACTIONS

During the year the Company transacted with related entities. The nature and volume of transactions and the balances with the entities are as follows:

- The Company's subsidiary, Airtel (Seychelles) Limited declared interim dividend of SCR 49,659,182 (US\$ 3,624,556) for the year ended 31 December, 2019. As at the year-end there was an outstanding dividend receivable of US\$ **3,624,556** (2018: Nil).
- The Company received US\$ **6,456** (2018: US\$ 14,411) and repaid US\$ **Nil** (2018: US\$ 163,236) during the year to its Parent Company, Bharti Airtel Africa B.V.
- The Company charged interest amounting to US\$ **346,932** (2018: US\$ 106,811) during the year on Loan receivable from its Parent Company, Bharti Airtel Africa B.V. As at the year-end there was an outstanding loan receivable of US\$ **7,504,970** (2018: US\$ 7,164,494).

The Company does not have any employees (2018: Nil). The directors are employees of other Bharti 'group' entities.

15. PARENT AND OTHER CONTROLLING INTERESTS

The Company's parent is Bharti Airtel Africa BV, a Company incorporated in the Netherlands. Airtel Africa plc, a company incorporated in the United Kingdom, is the smallest group in which this Company is consolidated.

The largest group in which this Company is consolidated is Bharti Airtel Limited, which is incorporated in India. The consolidated accounts of Bharti Airtel Limited are available to the public on the Company's website www.airtel.com

16. EVENTS AFTER THE BALANCE SHEET DATE

1. In December 2019, there was an outbreak of Covid 19 in China. This, however, became widespread in a number of countries after the reporting date and was subsequently declared a pandemic by the World Health Organisation (WHO) in March 2020. The Company's subsidiary, Airtel (Seychelles) Limited has earned gross revenue of USD 10 million and EBITDA of USD 4 million during the half year ended 30 June, 2020. The directors have reasonable expectations that the Company has adequate resources to continue in operational existence for at least next 12 months from the date of signing these financial statements.
2. The Board of Directors of the Company's subsidiary - Airtel (Seychelles) Limited - declared final dividend of SCR 39,656,900 for the year ended 31 December, 2019 in the board meeting held on 22 June, 2020.