

J. C. BHALLA & CO.

CHARTERED ACCOUNTANTS

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Independent Auditors' Report

To the Members of M/s. Bharti Airtel RDC Holdings B.V., Netherlands

Report on the Financial Statements

We have audited the accompanying financial statements of **Bharti Airtel RDC Holdings B.V.** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Statement for Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Indian GAAP. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with Indian GAAP, of the state of affairs of the Company as at March 31, 2015, its results of operations, and its cash flows for the year ended on that date.

For J. C. Bhalla & Co.
Chartered Accountants
Firm Regn. No: 001111N



(Akhil Bhalla)
Partner
Membership No.505002

Place: NEW DELHI

Dated: 8th July 2015



BHARTI AIRTEL RDC HOLDINGS B.V.

Financial Statements for the year ended March 31, 2015

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BHARTI AIRTEL RDC HOLDINGS B.V.

Balance Sheet

Balance Sheet as of March 31, 2015

Particulars	Notes	As of March 31, 2015 (in USD Thousands)	As of March 31, 2014 (in USD Thousands)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	4	18	18
Reserves and surplus	5	23,831	9,105
Non- Current Liabilities			
Long-term borrowings	6	704,925	568,314
Current Liabilities			
Other current liabilities	7	1,462	1,462
Total		<u>730,236</u>	<u>578,899</u>
ASSETS			
Non current assets			
Non current investments	8	1,976	1,976
Long-term loans and advances	9	728,259	576,923
Current Assets			
Cash and bank balances	10	1	0
Total		<u>730,236</u>	<u>578,899</u>

The accompanying notes form an integral part of these financial statements.
As per our report of even date

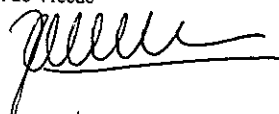
For J.C.Bhalla & Co.
Chartered Accountants
ICAI Firm Registration No: 001111N

For and on behalf of the Board of Directors of BHARTI AIRTEL RDC HOLDINGS B.V.



Akhil Bhalla
(Partner)
Membership No: 505002

J.C. Uneken-van de Vreede
(Director)



Place: NEW DELHI
Date: 8th July 2015

Place: Amsterdam
Date: 6th July 2015




BHARTI AIRTEL RDC HOLDINGS B.V.

Statement of Profit and Loss

Statement of Profit and Loss for the year ended March 31,2015

Particulars	Notes	For the year ended March 31, 2015 (in USD Thousands)	For the year ended March 31, 2014 (in USD Thousands)
Income			
Other Income	11	39,089	31,369
Total Income		39,089	31,369
Expenses			
Other expenses	12	7,821	7,737
Total Expenses		7,821	7,737
Profit/ (loss) before Finance Costs, Depreciation and amortisation and Taxation		31,268	23,632
Finance costs	13	16,542	13,531
Profit/(Loss) before Tax		14,726	10,101
Tax expense		-	-
Current tax		-	-
Profit/(Loss) for the year		14,726	10,101
Profit/(Loss) per share (equity shares of par value EUR 1 each) Basic and Diluted (In USD)			
Ordinaryshares	14	811.26	556.45

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

As per our report of even date

For J.C.Bhalla & Co.
Chartered Accountants
ICAI Firm Registration No: 001111N

For and on behalf of the Board of Directors of BHARTI AIRTEL RDC HOLDINGS B.V.

Akhil Bhalla
(Partner)
Membership No: 505002

J.C. Uneken-van de Vreede
(Director)

Place : NEW DELHI

Place : Amsterdam

Date : 8th July 2015

Date : 6th July 2015



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BHARTI AIRTEL RDC HOLDINGS B.V.

Cash flow Statement

Cash Flow Statement for the year ended March 31, 2015

	For the year ended March 31, 2015 (in USD Thousands)	For the year ended March 31, 2014 (in USD Thousands)
Cash flows from operating activities		
Profit/(Loss) before Tax	14,726	10,101
Adjustments for - Finance Cost	16,542	13,531
Operating cash flow before changes in assets and liabilities	31,268	23,632
Adjustments for changes in assets and liabilities: - increase/(decrease) in trade and other payables	(31,271)	(23,635)
Cash generated from operating activities	(3)	(3)
Taxes paid	-	-
Net cash inflow / (outflow) from operating activities	(3)	(3)
Cash flows from investing activities		
Loan given to subsidiaries	(120,065)	(129,804)
Repayment of loan by subsidiaries	-	36,000
Net cash inflow / (outflow) from investing activities	(120,065)	(93,804)
Cash flows from financing activities		
Loan from Related Parties	120,069	129,805
Repayment of loan to Related Parties	-	(36,000)
Net cash inflow / (outflow) from financing activities	120,069	93,805
Effect of exchange rate changes on cash and cash equivalents	-	-
Net (decrease) / increase in cash and cash equivalents during the period	1	(1)
Add : Balance as at the beginning of the period	0	1
Balance as at the end of the period (Refer note 10)	1	0

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

As per our report of even date

For J.C.Bhalla & Co.
Chartered Accountants
ICAI Firm Registration No: 001111N

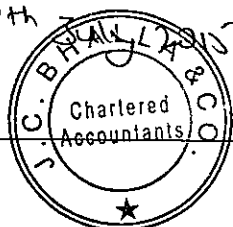
For and on behalf of the Board of Directors of BHARTI AIRTEL RDC HOLDINGS B.V.

Akhil Bhalla
(Partner)
Membership No: 505002

J. C. Uneken- van der Vreede
(Director)

Place : NEW DELHI
Date : 8th

Place : Amsterdam
Date : 6th July 2015



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BHARTI AIRTEL RDC HOLDINGS B.V.

Notes to Financial Statements

1. Corporate Information

Bharti Airtel RDC Holdings B.V. ('The Company'), incorporated on December 14, 1999, is registered in The Netherlands and having its registered office at Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands.

The Company forms part of the Bharti Airtel Group of companies. Immediate parent company is Bharti Airtel Africa B.V. The Company is ultimately owned by Bharti Airtel Limited ('the holding company'), a company incorporated under the laws of India.

The activities of the Company mainly consist of providing holding and finance services, including management services.

2. Basis of preparation

These special purpose financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the accounting standards issued by the Institute of Chartered Accountants of India. The financial statements have been prepared under the historical cost convention, on a going concern and on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. These financial statements are not statutory financial statements, and accordingly do not include all the disclosures required under the Companies Act, 2013 read with General Circular 8/2014 dated April 4, 2014.

The Company's financial statements are presented in United States Dollars (USD), which is also the Company's functional currency. Amounts less than USD 1 thousand has been shown as "0".

3. Summary of significant accounting policies

3.1 Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year. Although these estimates are based upon management's best knowledge



BHARTI AIRTEL RDC HOLDINGS B.V.

Notes to Financial Statements

of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

3.2 Investments

Investment, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current Investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are valued at cost. Provision is made for diminution in value to recognise a decline, if any, other than that of temporary nature.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

3.3 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the consideration received/receivable, excluding discounts, rebates, value added tax ('VAT') and other taxes and duties.

(i) Management fees

Revenue on account of management fees is recognised as the services are rendered.

(ii) Interest income

Income on account of interest is recognised on an accrual basis.



BHARTI AIRTEL RDC HOLDINGS B.V.

Notes to Financial Statements

3.4 Foreign currency translation

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

3.5 Provisions and contingencies

Provisions are recognised when the Company has a present obligation as a result of past event; it is more likely than not that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the



BHARTI AIRTEL RDC HOLDINGS B.V.

Notes to Financial Statements

obligation cannot be measured with sufficient reliability. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

The company forms a fiscal unity for corporate income tax purposes with Bharti Airtel Africa B.V. as of 8th June 2010. Under the Tax Collection Act, the company is jointly and severally liable for the taxes payable by the group.

3.6 Earnings / (Loss) Per Share

The earnings / (loss) considered in ascertaining the Company's Earnings / (Loss) per Share ('EPS') comprise the net profit / (loss) after tax attributable to equity shareholders. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti dilutive.

3.7 Segmental Reporting

a. Primary segment :

The Company operates only in one business segment viz. management services, which is the only reportable segment.

b. Secondary Segment

The Company has operations serving its subsidiaries only in Africa.

3.8 Taxes

The company forms a fiscal unity with its parent company. A Consolidated tax return is filed in which the parent company accounts for the Dutch tax implications of the group.

3.9 Employee Cost

During the year 2014-15 the company had no employees, and hence incurred no wages, salaries or related social security charges, nor during the previous period.

3.10 Cash and Cash Equivalent

Cash and cash equivalents includes cash in hand, bank balances and deposits held at call with maturities of



BHARTI AIRTEL RDC HOLDINGS B.V.**Notes to Financial Statements**

less than 3 months.

4. Share capital

Particulars	(USD Thousands)	
	As of March 31, 2015	As of March 31, 2014
Authorised shares		
90,760 Ordinary shares (March 31, 2014: 90,760 Ordinary shares) of EUR 1 each	116	116
Issued, Subscribed and fully paid-up shares		
18,152 Ordinary shares (March 31, 2014: 18,152 Ordinary shares) of EUR 1 each	18	18
	18	18

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

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	No.	(USD Thousands)	No.	(USD Thousands)
	Ordinary shares			
At the beginning of the year	18,152	18	18,152	18
Issued during the year	-	-	-	-
Outstanding at the end of the year	18,152	18	18,152	18

b. Terms/rights attached to equity shares

The Company has one class of ordinary shares having par value of EUR 1 per share. Each holder of ordinary shares is entitled to one vote per share.

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

BHARTI AIRTEL RDC HOLDINGS B.V.

Notes to Financial Statements

Particulars	As of		As of	
	March 31, 2015		March 31, 2014	
	No of shares	% holding	No of shares	% holding
Ordinary shares				
Bharti Airtel Africa B.V.	18,152	100%	18,152	100%

5. Reserves and surplus

Particulars	(USD in Thousands)	
	As of March 31, 2015	As of March 31, 2014
Deficit in the Statement of Profit and Loss		
Opening balance	9,105	(996)
Add : Loss for the year	14,726	10,101
Net deficit in the statement of profit and loss	23,831	9,105
Total	23,831	9,105

6. Long-term borrowings

Particulars	(USD in Thousands)	
	As of March 31, 2015	As of March 31, 2014
Unsecured		
Term Loans from holding company		
Principal amount of Loans	652,692	532,624
Interest on loans	52,233	35,690
	704,925	568,314

Note : The loan plus accrues interest is chargeable to interest @ 2.6% (annual rate) on monthly outstanding balances.

7. Other current liabilities

Particulars	(USD in Thousands)	
	As of March 31, 2015	As of March 31, 2014
Legal & professional and marketing expenses	1,462	1,462
	1,462	1,462



BHARTI AIRTEL RDC HOLDINGS B.V.

Notes to Financial Statements

8. Non-current investment

Particulars	(USD in Thousands)	
	As of March 31, 2015	As of March 31, 2014
Trade Investments (at cost)		
Investment in Equity Instruments (Un-quoted)		
Investment in Subsidiaries		
Celtel Congo (RDC) S.a.r.l.: 98,500 (March 31, 2014 - 98,500) ordinary shares of USD 20.0635 each	1,976	1,976
	<u>1,976</u>	<u>1,976</u>
<i>Aggregate value of Unquoted Investments</i>	1,976	1,976
<i>Aggregate value of Quoted Investments</i>	-	-
<i>Aggregate Market value of Quoted Investments</i>	-	-
<i>Aggregate provision for diminution in value of investments</i>	-	-

9. Long-term loans and advances

Particulars	(USD in Thousands)	
	As of March 31, 2015	As of March 31, 2014
Unsecured, considered good unless stated otherwise		
Loans and advances to related parties		
Principal amount of Loans	526,821	406,756
Management fee receivable	67,530	67,530
Interest on loans	133,908	102,637
	<u>728,259</u>	<u>576,923</u>

Note : 1. Loan plus accrued interest is chargeable to interest @ 6% (annual rate) on monthly outstanding balances
2. Balance of interest on loan is net of withholding tax if any

10. Cash and bank balances

Particulars	(USD in Thousands)	
	As of March 31, 2015	As of March 31, 2014
Cash and cash equivalents		
Balances with banks		
-On current accounts	1	0
	<u>1</u>	<u>0</u>



BHARTI AIRTEL RDC HOLDINGS B.V.**Notes to Financial Statements****11. Other Income**

Particulars	(USD Thousands)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest income on loans to related parties	39,089	31,369
	<u>39,089</u>	<u>31,369</u>

12. Other Expenses

Particulars	(USD Thousands)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Indirect Selling and Distribution Rates and Taxes	-	1,462
Bank Charges	7,818	6,273
	3	2
	<u>7,821</u>	<u>7,737</u>

13. Finance Costs

Particulars	(USD Thousands)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest expense	16,542	13,531
Total	<u>16,542</u>	<u>13,531</u>



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BHARTI AIRTEL RDC HOLDINGS B.V.**Notes to Financial Statements****14. Earnings/(loss) per share****Profit/(Loss) per share (equity shares of par value EUR 1 each)**

(Amounts in USD Thousands, except per share data and as stated otherwise)

Particulars	Ordinary shares
March 31, 2015	
Nominal value of equity shares (in EUR)	EUR 1
Profit/(Loss) attributable to equity shareholders (A) *	14,726
Weighted average number of equity shares outstanding during the year (Nos. in Thousands) (B)	18.15
Basic / Diluted Profit /(Loss) per Share (A / B)	811.26
March 31, 2014	
Nominal value of equity shares (in EUR)	EUR 1
Profit/(Loss) attributable to equity shareholders (A) *	10,101
Weighted average number of equity shares outstanding during the year (Nos. in Thousands) (B)	18.15
Basic / Diluted Profit /(Loss) per Share (A / B)	556.45

15. Related Party Disclosures

In accordance with the requirements of Accounting Standards (AS) -18 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:



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BHARTI AIRTEL RDC HOLDINGS B.V.

Notes to Financial Statements

Name of the Related Party and Relationship:

Bharti Airtel Limited	Ultimate Holding Company
Bharti Airtel Africa B.V.	Parent Company
CelTel Congo (RDC) S.a.r.l.	Subsidiary
Bharti Airtel Ghana Holdings B.V.	Fellow Subsidiary
Bharti Airtel Kenya B.V.	Fellow Subsidiary
Bharti Airtel Kenya Holdings B.V.	Fellow Subsidiary
Bharti Airtel Tanzania B.V.	Fellow Subsidiary
Bharti Airtel Uganda Holdings B.V.	Fellow Subsidiary
Bharti Airtel Madagascar Holdings B.V.	Fellow Subsidiary
Bharti Airtel Mali Holdings B.V.	Fellow Subsidiary
Bharti Airtel Nigeria Holdings II B.V.	Fellow Subsidiary
Bharti Airtel Services B.V.	Fellow Subsidiary
Bharti Airtel DTH Holdings B.V.	Fellow Subsidiary
Bharti Airtel Gabon Holdings B.V.	Fellow Subsidiary
Bharti Airtel Malawi Holdings B.V.	Fellow Subsidiary
Bharti Airtel Niger Holdings B.V.	Fellow Subsidiary
Bharti Airtel Zambia Holdings B.V.	Fellow Subsidiary
Bharti Airtel Burkina Faso Holdings B.V.	Fellow Subsidiary
Bharti Airtel Chad Holdings B.V.	Fellow Subsidiary
Bharti Airtel Congo Holdings B.V.	Fellow Subsidiary
Bharti Airtel Sierra Leone Holdings B.V.	Fellow Subsidiary

Details of transactions with related parties during the year:

Related Party Transactions for FY 2014-15 <i>Nature of Transactions</i>	(USD in Thousands)	
	<i>Bharti Airtel Africa B.V.</i>	<i>CelTel Congo (RDC) S.a.r.l.</i>
Loan Drawdown / Loan Disburse	(120,069)	120,065
Repayment of Loans Given / Loan Received	-	-
Interest Expense / (Income)	16,542	(39,089)
Dividend Income	-	-
Other Non Employee related expenses	-	-
<i>Outstanding balance at year end</i>		
Long-term borrowings including interest	(704,925)	-
Long-term loans and advances including interest	-	728,259
Other current liabilities	(1,462)	-



BHARTI AIRTEL RDC HOLDINGS B.V.**Notes to Financial Statements****Related Party Transactions for FY 2013-14****(USD in Thousands)**Nature of Transactions*Bharti Airtel Africa B.V.**Celtel Congo (RDC) S.a.r.l.*

Loan Drawdown / Loan Disburse	(129,805)	129,804
Repayment of Loans Given / Loan Received	36,000	(36,000)
Interest Expense / (Income)	13,531	(31,369)
Dividend Income	-	-
Other Non Employee related expenses	1,462	-

Outstanding balance at year end

Long-term borrowings including interest	(568,314)	-
Long- term loans and advances including interest	-	576,923
Other current liabilities	(1,462)	-

16. Previous year figures have been regrouped / reclassified where necessary to conform to current year's classification.

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