

J. C. BHALLA & CO.

CHARTERED ACCOUNTANTS

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of **Bharti Airtel Sierra Leone 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 SIERRA LEONE HOLDINGS B.V.

Financial Statements for the year ended March 31, 2015

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BHARTI AIRTEL SIERRA LEONE HOLDINGS B.V.**Balance Sheet**

Balance Sheet as of March 31, 2015

Particulars	Notes	As of March 31, 2015 (in USD Thousands) (Audited)	As of March 31, 2014 (in USD Thousands) (Audited)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	4	21	21
Reserves and surplus	5	623	(1,428)
Non- Current Liabilities			
Long-term borrowings	6	88,047	90,049
Current Liabilities			
Other current liabilities	7	317	317
Total		89,008	88,959
ASSETS			
Non current investments			
Non current investments	8	4,000	4,000
Long- term loans and advances	9	84,987	84,938
Current Assets			
Cash and bank balances	10	0	0
Other current assets	11	21	21
Total		89,008	88,959

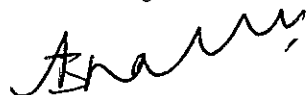
The accompanying notes form an integral part of these financial statements.

As per our report of even date

For J.C.Bhalla & Co.

Chartered Accountants

ICAI Firm Registration No: 001111N



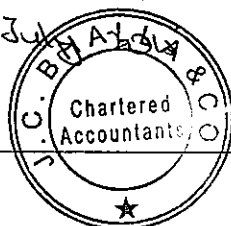
Akhil Bhalla

(Partner)

Membership No: 505002

Place : NEW DELHI

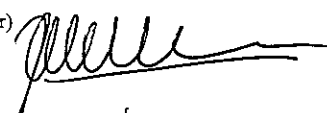
Date : 8th July



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

J. C. Uneken -van de Vreede

(Director)



Place : Amsterdam

Date : 6th July 2015



BHARTI AIRTEL SIERRA LEONE 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) (Audited)	For the year ended March 31, 2014 (in USD Thousands) (Audited)
Income			
Revenue from operations		-	-
Other Income	12	5,194	4,130
Total Income		<u>5,194</u>	<u>4,130</u>
Expenses			
Employee benefits expenses		-	-
Other expenses	13	780	873
Total Expenses		<u>780</u>	<u>873</u>
Profit/(loss) before Finance Costs, Depreciation and amortisation and Taxation		4,414	3,257
Finance costs	14	2,363	1,720
Depreciation and amortisation		-	-
Profit/(Loss) before Tax		<u>2,051</u>	<u>1,537</u>
Tax expense		-	-
Current tax		-	-
Profit/(Loss) for the year		<u>2,051</u>	<u>1,537</u>
Profit/(Loss) per share (equity shares of par value EUR 1 each)			
Basic and Diluted (In USD)	15		
Ordinary shares		112.99	84.67

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

As per our report of even date

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

Akhil Bhalla

Akhil Bhalla

(Partner)

Membership No: 505002

Place : NEW DELHI

Date : 8th July 2015

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

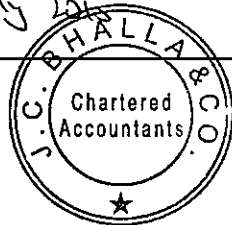
J. C. Uneken -van de Vreede

(Director)

J. C. Uneken -van de Vreede

Place : Amsterdam

Date : 6th July 2015



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BHARTI AIRTEL SIERRA LEONE HOLDINGS B.V.

Cash Flow Statement

Cash Flow Statement as of March 31, 2015

Particulars	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	2,051	1,537
<i>Adjustments for -</i>		
Finance Cost	2,363	1,720
Operating cash flow before changes in assets and liabilities	<u>4,414</u>	<u>3,257</u>
Adjustments for changes in assets and liabilities:		
- increase/(decrease) in trade and other payables	(4,415)	(3,258)
Cash generated from operating activities	(1)	(0)
Taxes paid	-	-
Net cash inflow / (outflow) from operating activities	<u>(1)</u>	<u>(0)</u>
Cash flows from investing activities		
Loan given to subsidiaries	-	(7,000)
Repayment of loan by subsidiaries	4,365	2,750
Short term investments (Net)	-	-
Net cash inflow / (outflow) from investing activities	<u>4,365</u>	<u>(4,250)</u>
Cash flows from financing activities		
Loan from Related Parties	1	7,000
Repayment of loan to Related Parties	(4,364)	(2,750)
Net cash inflow / (outflow) from financing activities	<u>(4,363)</u>	<u>4,250</u>
Net (decrease) / increase in cash and cash equivalents during the period	<u>0</u>	<u>(1)</u>
Add : Balance as at the beginning of the period	0	1
Balance as at the end of the period (Refer note 10)	<u>0</u>	<u>0</u>

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

As per our report of even date

For J.C.Bhalla & Co.

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

Chartered Accountants

ICAI Firm Registration No: 001111N

Akhil Bhalla

Akhil Bhalla

(Partner)

Membership No: 505002

J. C. Uneken -van de Vreede

(Director)

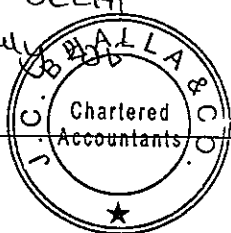
J. C. Uneken -van de Vreede

Place : NEW DELHI

Place : Amsterdam

Date : 8th July 2015

Date : 6th July 2015



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BHARTI AIRTEL SIERRA LEONE HOLDINGS B.V.

Notes to Financial Statements

1. Corporate Information

Bharti Airtel Sierra Leone Holdings B.V. Limited ('the Company'), incorporated on Jan 13, 1998, 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. The 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 of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes



BHARTI AIRTEL SIERRA LEONE HOLDINGS B.V.

Notes to Financial Statements

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

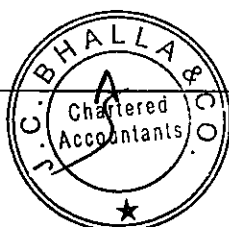
Revenue on account of management fees is recognised as the services are rendered.

(ii) Interest income

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

3.4 Foreign currency translation

Initial Recognition



BHARTI AIRTEL SIERRA LEONE HOLDINGS B.V.

Notes to Financial Statements

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 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 less than 3 months.



BHARTI AIRTEL SIERRA LEONE HOLDINGS B.V.

Notes to Financial Statements

4. Share capital

Particulars	As of March 31, 2015	(USD Thousands) As of March 31, 2014
Authorised shares		
<u>90,760 Ordinary shares</u> (March 31, 2014: 90,760 Ordinary shares) of EUR 1 each	106	106
Issued, Subscribed and fully paid-up shares		
<u>18,152 Ordinary shares</u> (March 31, 2014: 18,152 Ordinary shares) of EUR 1 each	21	21

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

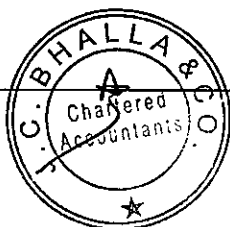
Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	No.	(USD Thousands)	No.	(USD Thousands)
Ordinary shares				
At the beginning of the year	18,152	21	18,152	21
Issued during the year	-	-		
<u>Outstanding at the end of the year</u>	<u>18,152</u>	<u>21</u>	<u>18,152</u>	<u>21</u>

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

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



BHARTI AIRTEL SIERRA LEONE HOLDINGS B.V.**Notes to Financial Statements****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	(1,428)	(2,965)
Add : Profit/(Loss) for the year	2,051	1,537
Net deficit in the statement of profit and loss	623	(1,428)

6. Long-term borrowings

Particulars	(USD in Thousands)	
	As of March 31, 2015	As of March 31, 2014
Unsecured		
Term Loans		
Principal amount of loan	78,114	82,479
Interest on loan	9,933	7,570
	88,047	90,049

Note : Loan plus accrued 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
Other Payables	317	317
	317	317



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BHARTI AIRTEL SIERRA LEONE HOLDINGS B.V.

Notes to Financial Statements

8. Non-current investments

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		
Airtel (SL) Limited : 100% share in issued capital	4,000	4,000
	<u>4,000</u>	<u>4,000</u>
<i>Aggregate value of Unquoted Investments</i>	4,000	4,000
<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. 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	0	0
	<u>0</u>	<u>0</u>

10. 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 loan	51,744	56,111
Management fee receivable	9,404	9,404
Interest on loan	23,839	19,423
	<u>84,987</u>	<u>84,938</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



BHARTI AIRTEL SIERRA LEONE HOLDINGS B.V.**Notes to Financial Statements****11. Other Current Assets**

Particulars	As of	(USD in Thousands) As of
	March 31, 2015	March 31, 2014
Others receivables	21	21
	<u>21</u>	<u>21</u>

12. Other Income

Particulars	For the year ended	(USD Thousands) For the year ended
	March 31, 2015	March 31, 2014
Interest income on loans to related parties	5,194	4,130
	<u>5,194</u>	<u>4,130</u>

13. Other expenses

Particulars	For the year ended	(USD Thousands) For the year ended
	March 31, 2015	March 31, 2014
Bank Charges	1	1
Sales and Marketing expenses	-	317
Rates and taxes	779	555
	<u>780</u>	<u>873</u>

14. Finance Cost

Particulars	For the year ended	(USD Thousands) For the year ended
	March 31, 2015	March 31, 2014
Interest expense *	2,363	1,720
	<u>2,363</u>	<u>1,720</u>



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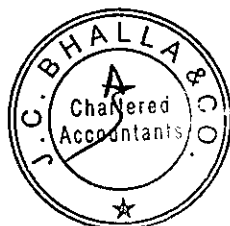
BHARTI AIRTEL SIERRA LEONE HOLDINGS B.V.**Notes to Financial Statements****15. Earnings/(loss) per share****Profit/(Loss) per share (equity shares of par value EUR 1 each)**

(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) *	2,051
Weighted average number of equity shares outstanding during the year (Nos. in Thousands) (B)	18.15
Basic / Diluted Profit/(Loss) per Share (A / B)	112.99
March 31, 2014	
Nominal value of equity shares (in EUR)	EUR 1
Profit/(Loss) attributable to equity shareholders (A) *	1,537
Weighted average number of equity shares outstanding during the year (Nos. in Thousands) (B)	18.15
Basic / Diluted Profit/(Loss) per Share (A / B)	84.67

16. 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 SIERRA LEONE HOLDINGS B.V.**Notes to Financial Statements****Name of the Related Party and Relationship:**

Name of the Related Party	Relationship
Bharti Airtel Limited	Ultimate Holding Company
Bharti Airtel Africa B.V.	Holding Company
Airtel (S.L.) Limited	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 RDC 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 Zambia Holdings B.V.	Fellow Subsidiary

Details of transaction with related parties during the year:

Related Party Transactions for FY 2014-15	(USD in Thousands)	
<u>Nature of Transactions</u>	<i>Bharti Airtel Africa B.V.</i>	<i>Airtel (S.L.) Limited</i>
Loan Drawdown / Loan Disburse	(1)	-
Repayment of Loans Given / Loan Received	4,364	(4,365)
Interest Expense / (Income)	2,363	(5,194)
Dividend Income	-	-
Other Non Employee related expenses	-	-
 <u>Outstanding balance at year end</u>		
Long Term Borrowings including interest	(88,047)	-
Long-term loans and advances including interest	-	84,987
Other current liabilities	(296)	-



BHARTI AIRTEL SIERRA LEONE HOLDINGS B.V.**Notes to Financial Statements**

Related Party Transactions for FY 2013-14 <i>Nature of Transactions</i>	(USD in Thousands)	
	<i>Bharti Airtel Africa B.V.</i>	<i>Airtel (S.L.) Limited</i>
Loan Drawdown / Loan Disburse	(7,007)	7,007
Repayment of Loans Given / Loan Received	2,785	(2,785)
Interest Expense / (Income)	1,720	(4,130)
Dividend Income	-	-
Other Non Employee related expenses	-	317
 <i>Outstanding balance at year end</i>		
Long Term Borrowings including interest	(90,049)	-
Long-term loans and advances including interest	-	84,938
Other current liabilities	(296)	-

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

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