INDIAN OCEAN TELECOM LIMITED

Financial statements

For the year ended 31 December 2016
Directors' report  
For the year ended 31 December 2016

The directors present their annual report together with the financial statements of the company for the year ended 31 December 2016. The company was incorporated in Jersey on 7 November 1997 and its principal activity is that of investment holding.

Directors

The directors of the company who served during the year and subsequently were:

Janette Catharina Van De Vreede
Neel Sahai
Ian Cunningham Campbell (Resigned 31/05/16)

The directors do not have and have never had, any beneficial interest in the share capital of the company.

Statement of directors’ responsibilities with regard to the financial statements

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 the state of affairs of the company and of the profit and 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 judgments 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.

So far as the directors are aware, there is no relevant audit information of which the Company’s auditors are unaware, and each director has taken all the steps that they ought to have taken as a director in order to make them aware of any relevant audit information and to establish that the company auditors are aware of this information.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements prepared by the company comply with the requirements of 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.

The directors confirm that these financial statements comply with these requirements.

Results and dividends

The results for the year are shown on page 5. The directors do not recommend the payment of a dividend.

By Order of the Board

[Signature]

For and on behalf of
Minerva Trust Company Limited
Secretary

Registered office
43/45 La Motte Street
St Helier, JE4 8SD
Jersey

Date: 14/1/17
INDEPENDENT AUDITORS’ REPORT TO THE SHAREHOLDERS OF

INDIAN OCEAN TELECOM LIMITED

We have audited the financial statements of Indian Ocean Telecom Limited for the year ended 31 December 2016 which comprises the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and related notes 1 to 6. The financial framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (Financial Reporting Standard 102).

Respective responsibilities of directors and auditors

As explained more fully in the Directors’ Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

This report is made solely to the company’s shareholders as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the revised financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of whether the accounting policies are appropriate to the company’s circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the revised financial statements.

In addition, we read all the financial and non-financial information in the directors report to identify material inconsistencies with the audited revised financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the revised financial statements;

- give a true and fair view of the state of affairs of the company as at 31 December 2016 and of the results of the company for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards (Financial Reporting Standard 102); and
- have been prepared in accordance with the Companies (Jersey) Law 1991.
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INDIAN OCEAN TELECOM LIMITED (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you 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
- we have not received all the information and explanations we require for our audit.

Philip J Crosby
For & on behalf of
RSM Channel Islands (Audit) Limited,
Chartered Accountants
Jersey, C.I.

Date: ..........................
Balance sheet  
As at 31 December 2016

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016 US$</th>
<th>2015 US$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unquoted investments</td>
<td>2</td>
<td>14,718,580</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at bank</td>
<td></td>
<td>27,696</td>
</tr>
<tr>
<td>Sundry debtors and prepayments</td>
<td></td>
<td>4,463</td>
</tr>
<tr>
<td></td>
<td></td>
<td>32,159</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>14,750,739</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity attributable to equity holders of the company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>3</td>
<td>2,500,000</td>
</tr>
<tr>
<td>Retained earnings</td>
<td></td>
<td>(2,458,183)</td>
</tr>
<tr>
<td>Capital reserve</td>
<td></td>
<td>14,574,733</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td>14,616,550</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans payable</td>
<td>4</td>
<td>127,764</td>
</tr>
<tr>
<td>Sundry creditors and accruals</td>
<td></td>
<td>6,425</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td>134,189</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td></td>
<td>14,750,739</td>
</tr>
</tbody>
</table>

The financial statements were approved and authorised by the board of directors on 14.6.17. and signed on its behalf by:

[Signature]

Director

The notes on pages 7 to 9 form part of these financial statements.
## INDIAN OCEAN TELECOM LIMITED

### Statement of comprehensive income
**For the year ended 31 December 2016**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank deposit interest</td>
<td>7</td>
<td>25</td>
</tr>
<tr>
<td>Expenses</td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Administration fees</td>
<td>18,290</td>
<td>22,392</td>
</tr>
<tr>
<td>Audit fees</td>
<td>7,927</td>
<td>7,068</td>
</tr>
<tr>
<td>Bank charges and interest</td>
<td>300</td>
<td>320</td>
</tr>
<tr>
<td>Annual foreign agent fees</td>
<td>526</td>
<td>544</td>
</tr>
<tr>
<td>Sundry expenses</td>
<td>270</td>
<td>359</td>
</tr>
<tr>
<td>Profit on foreign exchange</td>
<td>19,371</td>
<td>4,353</td>
</tr>
<tr>
<td>Loss for the year</td>
<td>7,935</td>
<td>26,305</td>
</tr>
</tbody>
</table>

All activities derive from continuing operations.

The company has no items of other comprehensive income other than those included in the statement of comprehensive income above.

The notes on pages 7 to 9 form part of these financial statements.
<table>
<thead>
<tr>
<th></th>
<th>Share capital</th>
<th>Capital reserve</th>
<th>Retained earnings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance as at 1 January 2015</strong></td>
<td>2,500,000</td>
<td>14,574,733</td>
<td>(2,424,943)</td>
<td>14,664,039</td>
</tr>
<tr>
<td>Loss for the year</td>
<td></td>
<td></td>
<td></td>
<td>(26,305)</td>
</tr>
<tr>
<td><strong>Balance as at 31 December 2015</strong></td>
<td>2,500,000</td>
<td>14,574,733</td>
<td>(2,450,248)</td>
<td>14,624,485</td>
</tr>
<tr>
<td>Loss for the year</td>
<td></td>
<td></td>
<td></td>
<td>(7,935)</td>
</tr>
<tr>
<td><strong>Balance as at 31 December 2016</strong></td>
<td>2,500,000</td>
<td>14,574,733</td>
<td>(2,458,183)</td>
<td>14,616,550</td>
</tr>
</tbody>
</table>

The notes on pages 7 to 9 form part of these financial statements.
Notes to the financial statements
For the year ended 31 December 2016

1 Accounting policies

Statement of Compliance

Indian Ocean Telecom Limited is a private company incorporated in Jersey, registered
number 70138. The registered office is 43/45 La Motte Street, St Helier, JE4 8SD.

Basis of preparation

The financial statements have been prepared in accordance with United Kingdom Accounting
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.

Revenue recognition
Bank interest is measured for on an accruals basis.

Expenses
Expenses are measured for on an accruals basis.

Unquoted investments
Unquoted investments are measured on initial recognition at cost. Unquoted investments
which are investments in subsidiaries are subsequently measured at cost less impairment.
All other unquoted investments are held at fair value.

Foreign currency exchange
Monetary assets and liabilities denominated in foreign currencies are translated to US$ at the
exchange rate ruling at the balance sheet date. Transactions in foreign currencies are
translated to US$ at the exchange rate ruling at the date of the transaction. Profits and
losses arising from foreign currency transactions are dealt with through the Statement of
Comprehensives income.

The company's functional and presentational currency is US Dollars as this reflects the
primary currency utilised by its parent and associated group entities.

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%.

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.

Consolidation
The company has taken advantage of the exemption available in FRS102 Section 1a from
preparing consolidated financial statements which incorporated its subsidiary entity.

Going concern
On the basis of their assessment of the company's financial position and enquiries made of
the directors of Bharti Airtel Africa BV, the company's directors have a reasonable
expectation that the company will be able to continue in operational existence for the
foreseeable future. Thus they continue to adopt the going concern basis of accounting n
preparing the financial statements.
2 Unquoted investments

<table>
<thead>
<tr>
<th>Company</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airtel (Seychelles) Limited</td>
<td>14,718,580</td>
<td>14,718,580</td>
</tr>
<tr>
<td>999 INR 1,000 each</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above investment represents 99.9% 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.

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

3 Called up share capital

<table>
<thead>
<tr>
<th>Category</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised</td>
<td>5,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>5,000,000 Ordinary shares of US$ 1 each</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allotted, called up and fully paid</td>
<td>2,500,000</td>
<td>2,500,000</td>
</tr>
<tr>
<td>2,500,000 Ordinary shares of US$ 1 each</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4 Shareholder’s loan

The loan is unsecured, interest free and with repayment date unspecified. Consequently it has been classified as a current liability.

5 Related party transactions

During the year the company traded with related entities. The nature, volume of transactions and the balances with the entities are as follows:

The company paid US$18,290 (2015: US$22,392) to Minerva Trust & Corporate Services Limited, who provide administration services to the company. During the year, Mr Neel Sahai was a director of the company and also a director of Minerva Trust & Corporate Services Limited. As at the year end there was an outstanding liability of US$6,998 (2015: US$7,443).

The company received US$32,541 (2015: US$45,846) during the year from its parent company. As at the year end there was an outstanding liability of US$127,764 (2015: US$117,430).

The company does not have any employees (2015: Nil) The directors are employees of other Bharti 'group' entities or of the administrator.
6 Parent and other controlling interests

The company's parent is Bharti Airtel Africa BV, a company incorporated in the Netherlands. The ultimate parent company is Bharti Airtel Limited, a company incorporated in India. Bharti Airtel Limited, which prepare consolidated financial statements incorporating the company, has its registered office at Bharti Crescent, 1 Nelsen Mandela Road, Vasant Kunj, Phase II, New Delhi 110-070.