

Company Registration No. 200718118G

Bharti Airtel Holdings (Singapore) Pte. Ltd.

Annual Financial Statements
March 31, 2015

Bharti Airtel Holdings (Singapore) Pte. Ltd.

General Information

Directors

Arjun Narain
Devendra Khanna
Jantina Catharina Van De Vreede
Lim Puay Chong Vincent

Secretary

Lim Puay Chong Vincent

Registered Office

150 Orchard Road
#08-01 Orchard Plaza
Singapore 238841

Auditors

Ernst & Young LLP

Bankers

Bank of America
Standard Chartered Bank

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Bharti Airtel Holdings (Singapore) Pte. Ltd.

Directors' Report

The directors are pleased to present their report to the member together with the audited financial statements of Bharti Airtel Holdings (Singapore) Pte. Ltd. ('the Company') for the financial year ended March 31, 2015.

Directors

The directors of the Company in office at the date of this report are:

Lim Puay Chong Vincent
Arjun Narain
Devendra Khanna
Jantina Catharina Van De Vreede

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following director, who held office at the end of the financial year had, according to the register of directors' shareholdings required to be kept under section 164 of the Singapore Companies Act, Cap. 50, had an interest in shares and share options of the Company's holding company as stated below:

Name of director	At the beginning of financial year	At the end of financial year
<i>Holding company</i>		
<i>Bharti Airtel Limited</i>		
Ordinary shares		
Arjun Narain	400,190	400,190
Devendra Khanna	47,309	47,309
Options to purchase ordinary shares		
Arjun Narain	100,250	101,097
Devendra Khanna	94,838	56,085

No other director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment, if later, or at the end of the financial year.

Directors' Report

Option to take up unissued shares

During the financial year, no option to take up unissued shares of the Company was granted.

Option exercised

During the financial year, there were no shares of the Company issued by virtue of the exercise of option to take up unissued shares of the Company.

Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company under option.


Directors' contractual benefits


Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the Board of Directors:


.....
Director


.....
Director

June 10, 2015

Bharti Airtel Holdings (Singapore) Pte. Ltd.


Statement by Directors

We, J. van de Veeck and D Khanna being two of the directors of Bharti Airtel Holdings (Singapore) Pte. Ltd., do hereby state that, in the opinion of the directors:

- (i) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and the results of the business, changes in equity and cash flows of the Company for the financial year ended on that date, and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due as the holding company has agreed to provide continuing financial support to the Company.

On behalf of the Board of Directors:


.....
Director


.....
Director

June 10, 2015

Bharti Airtel Holdings (Singapore) Pte. Ltd.

Independent Auditors' Report
For the financial year ended March 31, 2015

To the Member of Bharti Airtel Holdings (Singapore) Pte. Ltd.

Report on the financial statements

We have audited the accompanying financial statements of Bharti Airtel Holdings (Singapore) Pte. Ltd. (the "Company") set out on pages 6 to 32, which comprise the statement of financial position as at March 31, 2015, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 control relevant to the entity'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 the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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.

Bharti Airtel Holdings (Singapore) Pte. Ltd.

Independent Auditors' Report
For the financial year ended March 31, 2015

To the Member of Bharti Airtel Holdings (Singapore) Pte. Ltd.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and the results, changes in equity and cash flows of the Company for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

June 10, 2015

Bharti Airtel Holdings (Singapore) Pte. Ltd.

Statement of Comprehensive Income
For the financial year ended March 31, 2015

	Notes	2015 SGD	2014 SGD
Interest income	6	5,431,286	3,858,396
Interest expense - to related companies		(5,873,990)	(4,643,501)
Foreign exchange (loss) / gain		(7,145,637)	1,049,850
Administrative expenses	7	(353,329)	(297,001)
Loss before tax		(7,941,670)	(32,256)
Income tax (expense) / credit	8	(440,870)	150,707
(Loss) / profit for the financial year representing total comprehensive (loss) / income for the financial year		(8,382,540)	118,451

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



Bharti Airtel Holdings (Singapore) Pte. Ltd.

Statement of Financial Position
As at March 31, 2015

	Notes	2015 SGD	2014 SGD
Non-current assets			
Investment in subsidiaries	9	529,549,230	529,549,230
Amount due from related companies	10	294,289,978	226,318,120
		823,839,208	755,867,350
Current assets			
Other receivable	11	4,488	630
Income tax recoverable		-	113,028
Amount due from related companies	10	34,602,621	24,126,832
Cash and cash equivalents	12	158,958	10,615,907
		34,766,067	34,856,397
Total assets		858,605,275	790,723,747
Current liabilities			
Other payables and accruals	13	19,168,699	17,478,140
Amount due to related companies	10	388,070,739	313,938,124
Income tax payable		8,005	-
		407,247,443	331,416,264
Non-current liability			
Deferred tax liability	8	693,738	260,849
		693,738	260,849
Total liabilities		407,941,181	331,677,113
Net assets		450,664,094	459,046,634
Equity attributable to equity holder of the Company			
Share capital	14	471,767,596	471,767,596
Accumulated losses		(21,103,502)	(12,720,962)
Total equity		450,664,094	459,046,634

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Bharti Airtel Holdings (Singapore) Pte. Ltd.

Statement of Changes in Equity

For the financial year ended March 31, 2015

	Share capital (Note 14)	Accumulated losses	Total
	SGD	SGD	SGD
Balance as at April 1, 2013	471,767,596	(12,839,413)	458,928,183
Profit for the financial year	-	118,451	118,451
Total comprehensive income for the financial year	-	118,451	118,451
Balance as at March 31, 2014 and April 1, 2014	471,767,596	(12,720,962)	459,046,634
Loss for the financial year	-	(8,382,540)	(8,382,540)
Total comprehensive loss for the financial year	-	(8,382,540)	(8,382,540)
Balance as at March 31, 2015	471,767,596	(21,103,502)	450,664,094

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



Bharti Airtel Holdings (Singapore) Pte. Ltd.

Cash Flow Statement
For the financial year ended March 31, 2015

	Notes	2015 SGD	2014 SGD
Operating activities			
Loss before tax		(7,941,670)	(32,256)
Adjustment for :			
Interest expense		5,873,990	4,643,501
Interest income	6	(5,431,286)	(3,858,396)
Foreign exchange loss / (gain)		7,145,637	(1,049,850)
Operating cash flows before changes in working capital		(353,329)	(297,001)
Changes in working capital:			
Change in other payables and accruals		94,903	(9,125)
Change in amount due to / from related companies		175,538	(821,649)
Cash flows used in operations		(82,888)	(1,127,775)
Interest received		-	34,072
Interest paid		(861,062)	(167,957)
Income tax paid		113,052	(196,677)
Net cash flows used in operating activities		(830,898)	(1,458,337)
Investing activities			
Investment in associate and subsidiary companies		-	(83,953,325)
Repayments of loan by related companies		13,084,500	6,339,000
Loans to related companies		(63,857,100)	(114,880,541)
Net cash flows used in investing activities		(50,772,600)	(192,494,866)
Financing activities			
Repayments of loan taken from related companies		(22,853,324)	(18,573,005)
Loan taken from related companies		63,518,069	214,533,804
Net cash flows generated from financing activities		40,664,745	195,960,799
Net (decrease) / increase in cash and cash equivalents		(10,938,753)	2,007,596
Effect of exchange rate changes on cash and cash equivalents		481,804	146,249
Cash and cash equivalents at beginning of the financial year		10,615,907	8,462,062
Cash and cash equivalents at end of the financial year	12	158,958	10,615,907

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

Bharti Airtel Holdings (Singapore) Pte. Ltd. ("the Company") is a private limited company incorporated in Singapore. The Company is a wholly-owned subsidiary of Bharti Airtel Limited ("Bharti Airtel"), a company incorporated in India, which is also the ultimate holding company.

The registered office of the Company is located at 150 Orchard Road, #08-01 Orchard Plaza, Singapore 238841.

The Company is an investment holding company for certain entities in the Bharti Airtel Group.

2. Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

The financial statements of the Company have been prepared under the historical cost convention and are presented in Singapore Dollar (SGD), the functional currency of the Company.

The preparation of financial statements in accordance with SFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's knowledge of current events and actions, actual results ultimately may differ from those estimates.

Going concern

The financial statement of the Company have been prepared on the going concern basis notwithstanding the net current liabilities of SGD 372,481,376 (2014: SGD 296,559,867) as at March 31, 2015 as the ultimate holding company has undertaken to provide continuing financial support and additional funds to the Company to enable it to continue operations and meet its liabilities as and when due.

3. Summary of significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year the Company has adopted all the new and revised Standards which are effective for annual financial periods beginning on or after January 1, 2014.



3. Summary of significant accounting policies (cont'd)

S. No.	Standards/ Interpretation/ Amendments	Effective date - annual periods beginning on or after
1	Revised FRS 27 "Separate Financial Statements"	January 1, 2014
2	Revised FRS 28 "Investments in Associates and Joint Ventures"	January 1, 2014
3	FRS 110 "Consolidated Financial Statements"	January 1, 2014
4	FRS 111 "Joint Arrangements"	January 1, 2014
5	FRS 112 "Disclosure of Interests in Other Entities"	January 1, 2014
6	Amendments to FRS 32 "Offsetting Financial Assets and Financial Liabilities"	January 1, 2014
7	Amendments to FRS 36 "Impairment of Assets"	January 1, 2014
8	Amendments to FRS 39 "Amendment for novations of derivatives"	January 1, 2014
9	INT FRS 121. "Levies"	January 1, 2014

The adoption of the amendments to the Standards as mentioned above does not have any significant impact on the financial position or performance of the Company.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3.1 Investment in subsidiaries

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Investment in subsidiaries is accounted for at cost less impairment losses, if any.

In accordance with FRS 27 "Consolidated and separate financial statements", the Company has elected not to prepare consolidated financial statements as the Company is a wholly owned subsidiary of Bharti Airtel Limited, the ultimate holding company incorporated in India, which prepares the consolidated financial statements and can be obtained at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi, India.

3.2 Functional and foreign currency

(a) Functional currency

In view of the mixed indicators for functional currency, the management has determined Singapore Dollar (SGD) (local currency of the country in which it operates) to be the functional currency of the company.

3. Summary of significant accounting policies (cont'd)

3.2 Functional and foreign currency (cont'd)

(b) Transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the statement of comprehensive income.

3.3 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

Financial assets are initially recognised at fair value plus directly attributable transaction costs for all financial assets not at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment, if any. Gains and losses are recognised in statement of comprehensive income when the loans and receivables are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in statement of comprehensive income.

3. Summary of significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

For financial assets carried at amortised cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as 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. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through use of an allowance account. The impairment loss is recognised in statement of comprehensive income.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred; the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in statement of comprehensive income.



3. Summary of significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

Financial Liabilities are initially recognised at fair value plus directly attributable transaction costs for all financial liabilities not at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit and loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in statement of comprehensive income when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in statement of comprehensive income.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3. Summary of significant accounting policies (cont'd)

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3.5 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in statement of comprehensive income net of any reimbursement.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.6 Contingencies

Contingent liabilities if any are disclosed by way of notes to the statement of financial position. Provision is made in respect of those which are materialised after the year end, till the finalisation of accounts and having material effect on position stated in the statement of financial position.

3.7 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 fair value of consideration received or receivable, excluding discounts, rebates, and sales taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Interest income is recognised using the effective interest method.



3. Summary of significant accounting policies (cont'd)

3.8 Income taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the country where the Company operates and generates taxable income.

Current income taxes are recognised in statement of comprehensive income except to the extent that the tax relates to items recognised outside statement of comprehensive income, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of comprehensive income is recognised outside statement of comprehensive income. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.



3. Summary of significant accounting policies (cont'd)

3.9 Impairment of non-financial assets

The carrying amount of assets is reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenue or earnings and material adverse changes in the economic environment.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an assets or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of the continuing operations are recognised in statement of comprehensive income in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in statement of comprehensive income unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.10 Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. These costs are expensed in the year in which they occur.



4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at each reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

4.1 Critical judgements made in applying the accounting policies

In the process of applying the Company's accounting policies, the management has made the following judgments, which has the most significant effect on the amounts recognised in the financial statements:

Determination of functional currency

The Company determines its functional currency (the currency of the primary economic environment in which it operates) and items included in the financial statements are measured using that functional currency. FRS 21, "The Effects of Changes in Foreign Exchange Rates" prescribes the factors to be considered for the purpose of determination of functional currency.

As described in note 3.2 (a), the directors have considered the factors described therein and have determined Singapore Dollars ('SGD') most appropriately reflects the functional currency of the Company. Revenue and major costs of providing services including major operating expenses are primarily influenced by fluctuations in SGD.

4.2 Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. However existing circumstances and assumptions about the future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment reviews

SFRS requires management to undertake an annual test for impairment of indefinite lived assets and for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not recoverable. The Company is an investment holding company and accordingly tests its investments for impairment whenever the performance of the investee indicates that the investment may be impaired.

The measurement of the value in use is determined based on the ten-year financial plan that have been approved by management and are also used for internal purposes.

The impairment calculation requires certain assumptions to be made in respect of highly uncertain matters, including management expectations of growth in EBITDA, timings and quantum of future expenditures, long-term growth rates and the selection of discount rates of the investee. The carrying value of the investments are shown in Note 9.



4. Significant accounting judgements, estimates and assumptions (cont'd)

4.2 Critical accounting estimates and assumptions (cont'd)

Income taxes

Judgement is involved in determining the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and any deferred tax provisions in the period in which such determination is made. The carrying amount of the Company's income tax payable and deferred tax liability at the end of the reporting period was SGD 8,005 (2014: income tax recoverable of SGD 113,028) and SGD 693,738 (2014: SGD 260,849) respectively.

5. Standards issued but not yet effective

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

S. No.	Description	Effective for annual periods beginning on or after
1	Amendments to FRS 19. "Defined Benefit Plans: Employee Contributions"	July 1, 2014
2	Improvements to FRSs (January 2014)	July 1, 2014
3	Improvements to FRSs (February 2014)	July 1, 2014
4	FRS 114. "Regulatory Deferral Accounts"	January 1, 2016
5	Amendments to FRS 27. "Equity Method in Separate Financial Statements"	January 1, 2016
6	Amendments to FRS 16 and FRS 38. "Clarification of Acceptable Methods of Depreciation and Amortisation"	January 1, 2016
7	Amendments to FRS 16 and FRS 41. "Agriculture : Bearer Plants"	January 1, 2016
8	Amendments to FRS 111. "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
9	Amendments to FRS 110 and FRS 28. "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	January 1, 2016
10	Amendments to FRS 1. "Disclosure Initiative"	January 1, 2016
11	Amendments to FRS 110, FRS 112 and FRS 28. "Investment Entities: Applying the Consolidation Exception"	January 1, 2016
12	Improvements to FRSs (November 2014)	January 1, 2016
13	FRS 115. "Revenue from Contracts with Customers"	January 1, 2017
14	FRS 109. "Financial Instruments"	January 1, 2018

The Company expects that adoption of these will have no material impact on the financial statements in the period of initial application.



Notes to the Financial Statements
For the year ended March 31, 2015

6. Interest income

	2015	2014
	SGD	SGD
Interest income from:		
Loans to related companies	5,431,129	3,823,677
Fixed deposits with banks	157	34,719
	<u>5,431,286</u>	<u>3,858,396</u>

7. Administrative expenses

	2015	2014
	SGD	SGD
Legal and professional charges	319,595	267,157
Directors' Fees	6,840	6,000
Bank charges	3,023	3,557
Others	23,871	20,287
	<u>353,329</u>	<u>297,001</u>

8. Income tax

The major components of income tax expense / (credit) for the years ended March 31 are:

	2015	2014
	SGD	SGD
Current income tax		
- current income tax	7	2,421
- under provision in respect of previous years	7,973	81,588
	<u>7,980</u>	<u>84,009</u>
Deferred income tax		
- origination and reversal of temporary differences	200,496	(121,679)
- deferred tax charge / (credit) in respect of previous years	232,394	(113,037)
	<u>432,890</u>	<u>(234,716)</u>
Income tax expense / (credit)	<u><u>440,870</u></u>	<u><u>(150,707)</u></u>