Bharti Airtel International (Mauritius) Limited

Audited Financial Statements

March 31, 2017

Bharti Airtel International (Mauritius) Limited

Audited Financial Statements – March 31, 2017

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		Date of appointment
DIRECTORS :	Jantina Catharina Van De Vreede	April 06, 2010
	Bashirali Abdulla Currimjee	April 06, 2010
	Naushad Ally Sohoboo	September 06, 2013
	Devendra Khanna	September 05, 2013
	Rajvardhan Singh Bhullar	April 18, 2016

ADMINISTRATOR AND SECRETARY : CIM CORPORATE SERVICES LTD
Les Cascades Building
Edith Cavell Street
Port Louis
Republic of Mauritius

REGISTERED OFFICE : CIM CORPORATE SERVICES LTD
Les Cascades Building
Edith Cavell Street
Port Louis
Republic of Mauritius

BANKERS : Standard Chartered Bank (Mauritius) Limited
Unit 6A and 6B, 6th Floor, Raffles Tower,
Lot 19, Cybercity, Ebene
Republic of Mauritius

AUDITORS : Ernst & Young
9th Floor, NeXTeracom, Tower 1
Cybercity
Ebene
Republic of Mauritius

The directors present their commentary, together with the audited financial statements of Bharti Airtel International (Mauritius) Limited (the 'Company') for the year ended March 31, 2017.

PRINCIPAL ACTIVITY

The Company is principally engaged in investments holding.

DIVIDENDS

The directors do not recommend the payment of any dividend for the year (2016: Nil).

DIRECTORS

The present membership of the Board of directors is set out on page 2.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position at March 31, 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards ('IFRS') and comply with the Companies Act 2001 and for such internal controls which are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

AUDITORS

The Board of directors have recommended the appointment of Deloitte as auditor for the year 2017-18. Deloitte have confirmed their willingness / eligibility and a resolution concerning their appointment will be proposed at the next Annual General Meeting of the shareholder.

We certify that, to the best of our knowledge and belief, we have filed with the Registrar of Companies, all such returns as are required of Bharti Airtel International (Mauritius) Limited under the Companies Act 2001, for the year ended March 31, 2017.

Sd/-

CIM CORPORATE SERVICES LTD
Corporate secretary
Les Cascades Building
Edith Cavell Street
Port Louis
Mauritius

Date: June 28, 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHARTI AIRTEL INTERNATIONAL (MAURITIUS) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bharti Airtel International (Mauritius) Limited (the "Company") set out on pages 9 to 27 which comprise the statement of financial position as at 31 March 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements give a true and fair view of, the financial position of Bharti Airtel International (Mauritius) Limited as at 31 March 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Commentary of the Directors and the Certificate from the Secretary as required by the Companies Act 2001, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2001**,** and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHARTI AIRTEL INTERNATIONAL (MAURITIUS) LIMITED (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matter

This report is made solely for the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHARTI AIRTEL INTERNATIONAL (MAURITIUS) LIMITED (CONTINUED)

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditor and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Sd/-

ERNST & YOUNG
Ebène, Mauritius

ROGER DE CHAZAL, A.C.A.
Licensed by FRC

Date: June 28, 2017

Audited Financial Statements

Bharti Airtel International (Mauritius) Limited
Statement of Comprehensive Income
(All amounts are in Indian Rupees- 'Rs.')

	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
Income			
Income	5	2,181,188	45,653
		2,181,188	45,653
Expenses			
Finance costs	6	(54,677,361)	(347,685)
Other operating expenses	7	(2,186,335)	(1,838,093)
Exceptional items	9	(207,062,230,993)	-
		(207,119,094,689)	(2,185,778)
Loss before tax		(207,116,913,501)	(2,140,125)
Income tax expense	8	-	-
Loss for the year		(207,116,913,501)	(2,140,125)
Other comprehensive loss for the year		-	-
Total comprehensive loss for the year		**(207,116,913,501)**	**(2,140,125)**

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

Bharti Airtel International (Mauritius) Limited
Statement of Financial Position
(All amounts are in Indian Rupees- 'Rs.')

	Notes	As of March 31, 2017	As of March 31, 2016
ASSETS			
Non-current assets			
Investments	9	-	207,755,817,100
Current assets			
Financial assets			
-Cash and cash equivalents	10	1,313,491	230,879
-Loan to related party	12	2,012,498,391	-
Prepayments		337,505	375,025
		2,014,149,387	605,904
Assets held for sale	9	13,242,370,000	-
Total assets		**15,256,519,387**	**207,756,423,004**
EQUITY AND LIABILITIES			
Equity			
Stated capital		222,341,721,417	207,721,486,017
(Accumulated losses) / retained earnings		(207,085,998,320)	30,915,181
Total equity		15,255,723,097	207,752,401,198
Current liabilities			
Other payables	11	796,290	4,021,806
Total liabilities		796,290	4,021,806
Total equity and liabilities		**15,256,519,387**	**207,756,423,004**

Approved by the Board of directors on June 28, 2017 and signed on its behalf by:

Sd/-	Sd/-
Bashirali Abdulla Currimjee	Naushad Ally Sohoboo
Director	**Director**

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

(All amounts are in Indian Rupees- 'Rs.')

	Stated capital		(Accumulated Losses) / Retained earnings	Total equity
	No of shares	Amount		
As of April 1, 2015	1,699,970,000	97,566,860,775	33,055,306	97,599,916,081
Loss for the year	-	-	(2,140,125)	(2,140,125)
Other comprehensive loss	-	-	-	
Total comprehensive loss	-	-	**(2,140,125)**	**(2,140,125)**
Issue of shares	1,685,000,000	110,154,625,242	-	110,154,625,242
As of March 31, 2016	**3,384,970,000**	**207,721,486,017**	**30,915,181**	**207,752,401,198**
Loss for the year	-	-	(207,116,913,501)	(207,116,913,501)
Other comprehensive loss	-	-		
Total comprehensive loss	-	-	**(207,116,913,501)**	**(207,116,913,501)**
Issue of shares	220,000,000	14,620,235,400	-	14,620,235,400
As of March 31, 2017	**3,604,970,000**	**222,341,721,417**	**(207,085,998,320)**	**15,255,723,097**

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

Bharti Airtel International (Mauritius) Limited
Statement of Cash Flows
(All amounts are in Indian Rupees- 'Rs.')

	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
Operating activities			
Loss before tax		(207,116,913,501)	(2,140,125)
Adjustments for:			
Finance cost		54,677,361	347,685
Unrealised foreign exchange gain		-	(35,920)
Finance income	5	(2,181,188)	-
Exceptional Items	9	207,062,230,993	-
Operating cash flows before changes in working capital		(2,186,335)	(1,828,360)
Changes in working capital :			
Changes in prepayments		37,520	149,273
Changes in other payables		(3,208,839)	805,170
Net cash flows used in operating activities (a)		**(5,357,654)**	**(873,917)**
Investing activities			
Investment in associates		(12,603,306,667)	(110,153,957,706)
Loan to related party		(2,010,350,000)	-
Interest received		32,797	-
Net cash flows used in investing activities (b)		**(14,613,623,870)**	**(110,153,957,706)**
Financing activities			
Finance costs paid		(154,587)	(347,685)
Proceeds from issue of shares		14,620,235,400	110,154,625,242
Net cash flows generated from financing activities (c)		**14,620,080,813**	**110,154,277,557**
Net increase/(decrease) in cash and cash equivalents during the year (a)+(b)+(c)		1,099,289	(554,066)
Effect of exchange rate changes on cash and cash equivalents		(16,677)	48,440
Cash and Cash Equivalents as at beginning of the year		230,879	736,505
Cash and cash equivalents as at end of the year		**1,313,491**	**230,879**

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

1. CORPORATE INFORMATION

Bharti Airtel International (Mauritius) Limited (the "Company") is domiciled and incorporated, on April 6, 2010, in Mauritius under the Companies Act 2001 as a private company limited by shares. The registered office of the Company is situated at Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius.

The Company is principally engaged in investment holding. The financial statements are authorised for issue by the Company's Board of Directors on the date stamped on page 10.

During the year ended March 31, 2017, Bharti Airtel Limited has sold its shareholding in the Company to Network i2i Limited, a company domiciled and incorporated in Mauritius under the Companies Act 2001 as a private company limited by shares. Effective from March 21, 2017, the Company is now wholly owned subsidiary of Network i2i Limited (Holding or Parent Company).

2.1 BASIS OF PREPARATION

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

The financial statements of the Company have been prepared under the historical cost convention and are presented in Indian Rupee ('INR' or 'Rs.').

The preparation of financial statements in accordance with IFRS 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. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years, if the revision affects both current and future years (refer to note 4 on critical accounting judgements and key sources of estimation uncertainty).

The significant accounting policies used in preparing the financial statements are set out in note 2.2 of the notes to the financial statements.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. New interpretation and amendments thereof, adopted by the Company

The accounting policies adopted are consistent with those of the previous financial year except for adoption of the following new standards, interpretations and amendments effective from the current year.

Interpretation/ Amendments	**Month of Issue**	**Effective for annual periods beginning on or after**
Amendments to IFRS 14. "Regulatory Deferral Accounts"	January 2014	January 1, 2016
Amendments to IFRS 11. "Accounting for Acquisitions of Interests"	May 2014	January 1, 2016
Amendments to IAS 16 and IAS 38. "Clarification of Acceptable Methods of Depreciation and Amortisation"	May 2014	January 1, 2016
Amendments to IAS 1. "Amendment Resulting from Disclosure Initiative"	December 2014	January 1, 2016

The adoption of the new interpretation / amendments to the standards mentioned above did not have any material impact on the financial position or performance of the Company.

b. Investment in associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investment in associate is stated at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The difference between the carrying amount and the recoverable amount is recognised as an expense in the period in which the impairment is identified.

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

c. Non-Current Assets held for sale

Non-current assets are classified as assets-held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Assets classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell.

Assets classified as held for sale are presented separately in the Statement of Financial Position.

Loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative loss previously recognised.

d. Impairment of non-financial assets

The carrying amount of assets are 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. If any indication exists, or when impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) 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 asset or CGU 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 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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, 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 assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

e. Financial instruments

(i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The Company determines the classification of its financial assets at initial recognition.

Financial assets are recognised initially at fair value plus directly attributable transaction costs, except for financial assets classified as 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 profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and cash equivalents and loan to related party.

Subsequent measurement

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

- *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in finance costs in the profit or loss.

Impairment

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a company of financial assets is impaired. A financial asset or a company of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the company of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a Company of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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 is recognised in the profit or loss.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as fair value through profit or loss and other financial liabilities. The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value plus directly attributable transaction costs, except for financial liabilities classified as 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 profit or loss.

The Company's financial liabilities include other payables, which are classified as other financial liabilities (subsequently measured at amortised cost).

Subsequent measurement

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is recognised in the profit or loss.

- *Loans and Borrowings*

Other payables are carried at cost which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the Company. Payables to related parties are recognised and carried at cost.

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 profit or loss.

(iii) 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.

f. Foreign currency transactions

(i) Functional currency

The Financial Statements are presented in Indian Rupees which is the functional and presentation currency of the Company.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date with resulting exchange difference recognised in profit or loss.

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 a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is treated in line with the recognition of gain or loss of the item that gave rise to such exchange difference (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

g. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, call deposits, 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.

h. Taxes

Current income tax

Current income tax assets and liabilities for the current period 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 by the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences 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 profits 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 in 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 profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

i. Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to un-winding of discount over passage of time is recognised within finance costs.

j. Share capital and issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

k. Revenue recognition

Revenue is recognised when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be measured reliably. Revenue is recognised at the fair value of the consideration received or receivable, which is generally the transaction price, net of any discounts and process waivers.

Interest income

For all financial instruments measured at amortised cost, interest income is recognised using the effective interest rate, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in 'finance income' in the statement of comprehensive income.

3. STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED BY THE COMPANY

The new standards, interpretations and amendments that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

a. IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting.

The effective date of IFRS 9 is annual periods beginning on or after January 1, 2018, with early adoption permitted. Retrospective application is required, but comparative information is not compulsory. The Company is required to adopt the standard by the financial year commencing April 1, 2018. The Company is currently evaluating the requirements of IFRS 9, and has not yet determined the impact on the financial statements.

b. IFRS 15 Revenue from Contracts with Customers

In May 2014, IASB issued standard, IFRS 15 Revenue from Contract with Customers. The Standard establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS.

The effective date of IFRS 15 is annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is required to adopt the standard by the financial year commencing April 1, 2018. The Company does not expect any impact on the financial statements.

c. IFRS 16 Leases

In January 2016, IASB issued standard, IFRS 16 Leases. IFRS 16 supersedes IAS 17 Leases; IFRIC 4 Determining whether an Arrangement contains a Lease; SIC-15 Operating Leases—Incentives; and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The previous accounting model

(All amounts are in Indian Rupees- 'Rs.'; unless stated otherwise)

for leases required lessees and lessors to classify their leases as either finance leases or operating leases and account for those two types of leases differently. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.
The effective date of IFRS 16 is annual periods beginning on or after January 1, 2019. Earlier adoption of the Standard is permitted if IFRS 15 Revenue from Contracts with Customers is adopted at or before the date of initial application of IFRS 16. The Company is required to adopt the standard by the financial year commencing April 1, 2019. The Company is currently evaluating the requirements of IFRS 16, and has not yet determined the impact on the consolidated financial statements.

d. The following other improvements and amendments to standards have been issued up to the date of issuance of the Company's financial statements, but not yet effective and have not yet been adopted by the Company. These are not expected to have any significant impact on the Company's financial statements:

S. No.	**Improvements/ Amendments to Standards**	**Month of Issue**	**Effective date - annual periods beginning on or after**
1	Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	December, 2014	Deferred indefinitely
2	IAS 7 Disclosure Initiative – Amendments to IAS 7		January 1, 2017
3	IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12		January 1, 2017
4	IFRS 2 Classification and Measurement of Share-based Payment Transactions — Amendments to IFRS 2		January 1, 2018
5	Transfers of Investment Property (Amendments to IAS 40)		January 1, 2018
6	IFRS 12 Disclosure of Interests in Other Entities - Clarification of the scope of the disclosure requirements in IFRS 12		January 1, 2017
7	IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration		January 1, 2018
8	IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term		January 1, 2018

(All amounts are in Indian Rupees- 'Rs.'; unless stated otherwise)

	exemptions for first-time adopters	
9	IAS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment by investment choice	January 1, 2018

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The Company plans to adopt these standards, interpretations and amendments as and when they are effective.

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The estimates and judgements used in the preparation of the said financial statements are continuously evaluated by the Company, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions under-lying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the financial statements in the period in which they become known.

Judgements

In the process of applying the Company's accounting policies, which are described in Note 2.2, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements:

Determination of functional currency

The Company determines its own 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. IAS 21, "The Effects of Changes in Foreign Exchange Rates" prescribes the factors to be considered for the purpose of determination of functional currency.

The directors have considered those factors described therein and have determined the functional currency of the Company to be "INR", as the Company is mainly engaged in investment holding activity.

5. Income

	For the year ended	
	March 31, 2017	**March 31, 2016**
Interest income on loans to group company	2,181,188	-
Net exchange gain	-	45,653
	2,181,188	**45,653**

(All amounts are in Indian Rupees- 'Rs.'; unless stated otherwise)

6. Finance Costs

	For the year ended	
	March 31, 2017	March 31, 2016
Bank charges	154,587	347,685
Net exchange loss	54,522,774	-
	54,677,361	**347,685**

7. Other Operating Expenses

	For the year ended	
	March 31, 2017	March 31, 2016
Legal and professional fees*	1,192,900	796,434
Management service fees#	798,864	798,864
Audit fees	194,571	242,795
	2,186,335	**1,838,093**

* Includes amount due from related parties (refer note 12)

Represents the amount recovered by the holding company from the Company for rendering of manpower services on behalf of the Company (refer note 12).

8. Income Tax

The Company, being the holder of a Category 1, Global Business Licence, is liable to income tax in Mauritius on its taxable profit arising from its world-wide income at the rate of 15%. The Company's foreign sourced income is eligible for a foreign tax credit which is computed as the lower of the Mauritian tax and the foreign tax on the respective foreign sourced income. The foreign tax for a GBL1 company is based on either the foreign tax charged by the foreign country or a presumed amount of foreign tax: the presumed amount of foreign tax is based on 80% of the Mauritian tax on the relevant foreign sourced income. In computing its total foreign tax credit, the Company is allowed to pool all its foreign sourced income.

Capital gains are outside the scope of the Mauritian tax net while trading profits made by the Company from the sale of shares are exempt from tax. At March 31, 2017 the Company had tax losses of INR 5,884,538 (2016: INR 5,713,964).

The reconciliation between the actual income tax charge and the accounting loss is as follows:

	For the year ended	
	March 31, 2017	March 31, 2016
Loss before tax	**(207,116,913,501)**	**(2,140,125)**
Tax expense at 15%	(31,067,537,025)	(321,019)
Less: Tax impact on exempt income	31,067,511,439	5,896
Deferred tax asset not recognised	25,586	315,123
Income tax expense	-	-

(All amounts are in Indian Rupees- 'Rs.'; unless stated otherwise)

9. Investments

	As of March 31, 2017	As of March 31, 2016
Investment in associates, at cost	-	207,755,817,100
	-	**207,755,817,100**

Movement in Investments

	As of March 31, 2017	As of March 31, 2016
Balance as at the beginning of the year	207,755,817,100	97,601,859,394
Additions made during the year	14,613,538,893	110,153,957,706
Disposal during the year	(149,281,899,508)	-
Reclass to held for sale	(73,087,456,485)	-
Balance as at the end of the year	-	**207,755,817,100**

During the year ended March 31, 2017, the Company has:

i. made an additional investment of INR 14,613,538,893 in Bharti Airtel International (Netherlands) B.V. ('BAIN')

ii. sold its entire investment of INR 149,281,899,508 in BAIN for INR 2,064,755,000 to Network i2i Limited and accordingly recognized a loss on sale of INR 147,217,144,508 as exceptional item. The sale consideration has been received in cash and subsequently loan is given to Network i2i Limited which is shown under 'Loan to related party'.

iii. entered into an agreement to sell its investments in Bharti International (Singapore) Pte Limited for INR 13,242,370,000 to Network i2i Limited. The completion of the transactions is subject to certain customary closing conditions. The Company on the basis of approval by relevant Board of Directors, considers that the criteria relevant for classification as assets-held-for-sale have been met, therefore accordingly has classified such investments as held for sale and measured at lower of carrying value or fair value less cost to sell. The excess of carrying value of INR 73,087,456,485 over fair value of INR 13,242,370,000 amounting to INR 59,845,086,485 has recognized as loss under exceptional item

Details of investments in associates are as follows:

Name of company	Country of incorporation	Principal activity	Proportion (%) of ownership interest 2017	Proportion (%) of ownership interest 2016
Bharti International (Singapore) Pte Limited	Singapore	Telecommunication Services	-	49.09
Bharti Airtel International (Netherlands) B. V.	Netherlands	Holding, Finance Services and Management Services	-	24.05

As at March 31, 2016, the equity shares of associates were unquoted.

(All amounts are in Indian Rupees- 'Rs.'; unless stated otherwise)

10. Cash and Cash Equivalents

	As of	
	March 31, 2017	**March 31, 2016**
Cash at bank	1,313,491	230,879
	1,313,491	**230,879**

11. Other Payables

	As of	
	March 31, 2017	**March 31, 2016**
Audit fees	194,571	205,391
Amount due to related party (refer note 12)	201,215	3,794,608
Other payables	400,504	21,807
	796,290	**4,021,806**

The amount due to related party is unsecured, interest free and repayable on demand. The amount is expected to be settled in cash.

12. RELATED PARTY DISCLOSURES

Details of the nature, volume of transactions and balances with these related entities were as follows:

List of related parties	**Relationship**
Bharti Airtel Limited	Ultimate Holding Company
Network i2i Limited	Holding Company
Bharti Airtel International (Netherlands) B.V*	Fellow Subsidiary
Bharti International (Singapore) Pte. Ltd	Associate
CIM Corporate Services Ltd	Local Management Company

*Fellow subsidiary w.e.f. March 15, 2017; Associate up till March 14, 2017

(All amounts are in Indian Rupees- 'Rs.'; unless stated otherwise)

2017:

Nature of transactions	CIM Corporate Services Ltd	Bharti Airtel Limited	Bharti Airtel International (Netherlands) B.V	Bharti International (Singapore) Pte. Limited	Network i2i Limited
	INR	INR	INR	INR	INR
Balances Recievable / (Payable)					
Management service fees	-	(201,215)	-	-	-
Legal and professional fees	(129,700)	-	-	-	-
Loan given to Group companies	-	-	-	-	2,012,498,391
Transactions					
Investment in associates	-	-	14,613,538,893	-	-
Management service fees (Refer note 7)	-	798,864	-	-	-
Legal and professional fees (Refer Note 7)	790,637	-	-	-	-
Proceeds from issue of shares	-	14,620,235,400	-	-	-
Sale of Investment	-	-	-	-	2,064,755,000
Loan given to Group companies	-	-	-	-	2,010,350,000
Interest income on loans to group company	-	-	-	-	2,148,391

2016:

Nature of transactions	CIM Corporate Services Ltd	Bharti Airtel Limited	Bharti Airtel International (Netherlands) B.V	Bharti International (Singapore) Pte. Limited
	INR	INR	INR	INR
Balances Recievable / (Payable)				
Management service fees	-	(3,794,608)	-	-
Legal and professional fees	375,025	-	-	-
Transactions				
Investment in associates	-	-	80,896,926,166	29,257,031,540
Management service fees (Note 7)	-	798,864	-	-
Legal and professional fees (Note 7)	796,434			
Proceeds from issue of shares	-	110,154,625,242	-	-

Loans given to related parties are unsecured, bear average interest rate of 2.14% per annum and are given for a short term period on a revolving basis. The amounts are expected to be settled in cash.

13. Financial Risk Management Objectives and policies

Financial risk factors

In the normal course of business, the Company is exposed to credit risk, liquidity risk and currency risk. The risk management strategy with respect to these risks excludes trading in derivatives.

The Board of directors has overall responsibility for establishment and oversight for the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

a. Credit risk

Credit risk is the risk of financial loss to the Company if the Company or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(All amounts are in Indian Rupees- 'Rs.'; unless stated otherwise)

	Within 1 year	Total
March 31, 2017	**INR**	**INR**
Cash and Cash equivalents	1,313,491	1,313,491
Loan to related party	2,010,350,000	2,010,350,000
Interest Accrued	2,148,391	2,148,391

	Within 1 year	Total
March 31, 2016	**INR**	**INR**
Cash and Cash equivalents	230,879	230,879

The financial assets are neither past due nor impaired at reporting dates. Cash at bank is placed with reputable financial institutions.

b. Liquidity risk

Liquidity risk is the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price.

In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance its operations and mitigate the effects of fluctuations in cash flows.

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date based on contractual undiscounted payments:

	Within 1 year	Total
March 31, 2017	**INR**	**INR**
Other payables	796,290	**796,290**

	Within 1 year	Total
March 31, 2016	**INR**	**INR**
Other payables	4,021,806	**4,021,806**

c. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency).

The following table indicates the currency to which the Company had significant exposure at March 31 on its financial assets and liabilities. The analysis calculates the effect of a reasonably possible movement of the currency rate against the INR on equity and on loss with all other variables held constant.

(All amounts are in Indian Rupees- 'Rs.'; unless stated otherwise)

	Change in currency exchange rate	Effect on loss before tax INR
USD	+5%	100,650,780
March 31, 2017	-5%	(100,650,780)
USD	+5%	(189,546)
March 31, 2016	-5%	189,546

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	Financial assets 2017	Financial liabilities 2017	Financial assets 2016	Financial liabilities 2016
	INR	INR	INR	INR
United States Dollars	2,013,811,882	796,290	230,879	4,021,806

d. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder's value.

The Company considers its equity as capital and manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholder, return capital to the shareholder or issue new shares. The Company does not have any borrowings and details of equity is as follows:

	As of	
	March 31, 2017	March 31, 2016
Equity	15,255,723,097	207,752,401,191

14. Events after reporting date

There were no significant events after the reporting date which require amendments and / or disclosure to the financial statements.