

**BHARTI AIRTEL (JAPAN) PRIVATE LIMITED**

Financial Statements for the year ended March 31, 2016

## **Audit report on Financial Statements of Bharti Airtel (Japan) Private Limited**

### **To the Board of Directors of Bharti Airtel (Japan) Private Limited**

We have audited the accompanying financial statements of Bharti Airtel (Japan) Private Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the preparation and presentation of financial statements in accordance with the provisions of Companies Act, 2013 ("the Act") that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India. 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 misstatements.

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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

# *S.R. BATLIBOI & ASSOCIATES LLP*

Chartered Accountants

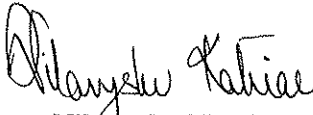
## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its loss, and its cash flows for the year ended on that date.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

  
per Nilangshu Katriar  
Partner

**Membership No.: 58814**

Place: Gurgaon

Date: June 17, 2016



# Bharti Airtel (Japan) Private Limited

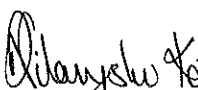
## Balance Sheet

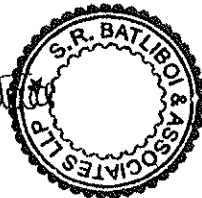
	Notes	As of March 31, 2016 (In Rupees) (Unaudited)	As of March 31, 2016 (In JPY) (Audited)	As of March 31, 2015 (In JPY) (Audited)
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' Funds</b>				
Share capital	4	29,488	50,000	50,000
Reserves and surplus	5	(5,997,436)	(10,169,214)	20,528,325
<b>Non- Current Liabilities</b>				
Long-term borrowings	6	10,025,988	17,000,000	17,000,000
<b>Current Liabilities</b>				
Trade payables		11,467,690	19,444,542	9,430,078
Other current liabilities	7	2,972,189	5,039,624	3,738,294
Short-term provisions	8	952,762	1,615,497	5,310,297
<b>Total</b>		<b>19,450,681</b>	<b>32,980,449</b>	<b>56,056,994</b>
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Fixed assets				
Tangible assets	9	6,068,411	10,289,558	14,171,613
Long-term loans and advances	10	28,507	48,336	31,800
<b>Current Assets</b>				
Trade receivables	11	5,241,631	8,887,676	14,403,446
Cash and bank balances	12	7,027,009	11,914,951	26,435,487
Short-term loans and advances	13	10,518	17,834	-
Other current assets	14	1,074,605	1,822,094	1,014,648
<b>Total</b>		<b>19,450,681</b>	<b>32,980,449</b>	<b>56,056,994</b>

The accompanying notes form an integral part of these Financial Statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP  
Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004

  
per Nilangshu Katriar  
Partner  
Membership No: 58814



For and on behalf of the Board of Directors of Bharti Airtel (Japan) Private Limited

  
Nitin Kaushal  
Director

  
Yasuhiko Niino  
Director

Place: Gurgaon

Date: June 17, 2016

**Bharti Airtel (Japan) Private Limited**  
**Statement of Profit and Loss**

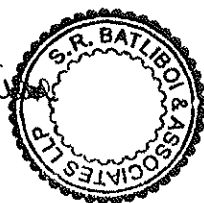
	Notes	For the year ended March 31, 2016 (in Rupees) (Unaudited)	For the year ended March 31, 2016 (in JPY) (Audited)	For the year ended March 31, 2015 (in JPY) (Audited)
Revenue from operations		8,259,642	14,004,995	53,592,530
Other Income	16	-	-	2,054,318
<b>Total Revenue</b>		<b>8,259,642</b>	<b>14,004,995</b>	<b>55,646,848</b>
<b>Expenses</b>				
Employee benefits expense	17	1,750,667	2,968,419	3,133,906
Other expenses	18	21,487,413	36,433,919	17,197,534
<b>Total Expenses</b>		<b>23,238,080</b>	<b>39,402,338</b>	<b>20,331,440</b>
<b>Profit/ (Loss) before Finance Costs, Depreciation and Taxation</b>		<b>(14,978,438)</b>	<b>(25,397,343)</b>	<b>35,315,408</b>
Finance costs	19	961,575	1,630,441	1,547,537
Depreciation expense	9	2,289,496	3,882,055	1,721,244
<b>Profit/ (Loss) before Tax</b>		<b>(18,229,509)</b>	<b>(30,909,839)</b>	<b>32,046,627</b>
<b>Tax expense</b>				
Current tax charge / (Credit)		(125,207)	(212,300)	2,640,000
<b>Profit/ (Loss) for the year</b>		<b>(18,104,302)</b>	<b>(30,697,539)</b>	<b>29,406,627</b>
<b>Earnings/ (Loss) per equity share (nominal value of share JPY 50,000 per share) (March 31, 2016 JPY 50,000)</b>				
Basic & Diluted	22	(18,104,302)	(30,697,539)	29,406,627

The accompanying notes form an integral part of these Financial Statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP  
Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004


  
per Nilangshu Katriar  
Partner  
Membership No: 58814




Place: Gurgaon

Date: June 17, 2016

For and on behalf of the Board of Directors of Bharti Airtel (Japan) Private Limited

  
Nitin Kaushal  
Director

  
Yasuhiko Niino  
Director

# Bharti Airtel (Japan) Private Limited

## Cash Flow Statement

As at March 31, 2016

	For the Year ended March 31, 2016 (in JPY) (Audited)	For the year ended March 31, 2015 (in JPY) (Audited)
<b>A. Cash flows from operating activities:</b>		
Loss before tax	(30,909,839)	32,046,627
<b>Adjustments for:</b>		
Depreciation expense	3,882,055	1,721,244
Unrealized Foreign Exchange (gain) /loss	558,516	(203,016)
Finance costs	1,630,441	1,547,537
<b>Operating cash flow before changes in assets and liabilities</b>	<b>(24,838,827)</b>	<b>35,112,392</b>
<b>Adjustments for changes in assets and liabilities :</b>		
(Increase) / decrease in trade receivables	4,957,254	(7,210,883)
(Increase) / decrease in other receivables	(841,816)	(581,957)
Increase/ (decrease) in trade payables	10,014,464	(754,651)
Increase/ (decrease) in other payables	51,816	-
<b>Cash generated from operations</b>	<b>(10,657,109)</b>	<b>26,564,901</b>
Taxes paid	(3,482,500)	(70,000)
<b>Net Cash flow from / (used in) operating activities</b>	<b>(14,139,609)</b>	<b>26,494,901</b>
<b>B. Cash flows from investing activities:</b>		
Purchase of tangible assets	-	-
Interest received	-	-
<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>C. Cash flows from financing activities:</b>		
Interest and other finance charges paid	(380,927)	(301,439)
<b>Net cash from / (used in) financing activities</b>	<b>(380,927)</b>	<b>(301,439)</b>
<b>Net (decrease) / increase in cash and cash equivalents during the year</b>	<b>(14,520,536)</b>	<b>26,193,462</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>26,435,487</b>	<b>242,025</b>
<b>Cash and cash equivalents at the end of the year (refer note 12)</b>	<b>11,914,951</b>	<b>26,435,487</b>

### Notes :

- Figures in brackets indicate cash outflow.
- The above cash flows Statement has been prepared under the indirect method set out in AS-3 'Cash Flow Statements' notified under section 133 of Companies Act, 2013 read with rule 7 of the companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs.
- Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

The accompanying notes form an integral part of these Financial Statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP  
Chartered Accountants

CAI Firm Registration No: 101049W/E300004

*Nitangshu Katriar*  
per Nitangshu Katriar  
Partner  
Membership No: 58814



Place : Gurgaon

Date: June 17, 2016

*Nitin Kaushal*

Nitin Kaushal  
Director

*Yasuhiko Niuro*

Yasuhiko Niuro  
Director

**1. Corporate Information**

Bharti Airtel (Japan) Private Limited ('the Company') incorporated on April 5, 2010, is registered in Japan having its registered office at 7-1, Nishi Shinjuku 3-chome, Shinjuku-ku, Tokyo.

Bharti Airtel (Japan) Private Limited is a wholly owned subsidiary of Bharti Airtel Holding (Singapore) Pte Limited, a company incorporated in Singapore.

The Company has set up point of presence ('POP') in Japan to provide telecommunication services so as to interconnect international and domestic capacities terminating and originating into that country.

**2. Basis of preparation**

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs. The financial statements have been prepared under the historical cost convention and on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

However, as these financial statements are not statutory financial statements, full compliance with the above Act are not required and so they do not reflect all the disclosure requirements of the Act.

The Company's Financial Statements are presented in Japanese Yen ('JPY'), which is also the Company's functional currency. The translation of JPY to Rupee amounts is unaudited and is included solely for readers in India and has been calculated using the rate of JPY 1 = Rs. 0.58976, the RBI reference rate as announced by the Reserve Bank of India (RBI) on March 31, 2016. Such translations should not be construed as representations that the Rupee amounts represent, or have been or could be converted into, Japanese Yen at that or any other rate.



### 3. Summary of significant accounting policies

#### 3.1 Use of Estimates

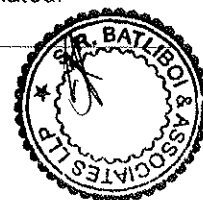
The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future years.

#### 3.2 Tangible Assets

Tangible Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects, if the recognition criteria are met. When significant parts of tangible assets are required to be replaced in intervals, the Company recognizes such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Gains and losses arising from retirement or disposal of the tangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in statement of profit and loss on the date of retirement and disposal.

Assets are depreciated to the residual values on a straight-line basis over the useful lives of respective assets as estimated by the management. The depreciation period and the depreciation method for an tangible asset are reviewed at least at each financial year end. Changes in the expected useful life is accounted for as changes in accounting estimates and accounted prospectively over the remaining useful life. Changes in the expected pattern of consumption of future economic benefits embodied in the asset is accounted for as change in the depreciation method and accounted retrospectively, thus, depreciation is recalculated in accordance with the new method from the date of the asset coming into use and any excess or deficit on such re-computation is accounted in the statement of profit and loss when such change is effected. Freehold Land is not depreciated.



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Plant and machinery is depreciated over its estimated useful life of 10 years.

### **3.3 Leases**

(i) Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and rewards incidental to ownership of the leased item are classified as operating leases. Lease rentals with respect to assets taken on 'Operating Lease' are charged to the statement of profit and loss on a straight-line basis over the lease term.

Leases which effectively transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item are classified as finance lease. These are capitalised at the commencement of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss.

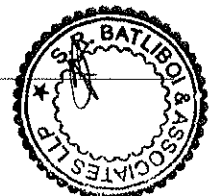
Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

(ii) Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease income in respect of 'Operating Lease' is recognised in the statement of profit and loss on a straight-line basis over the lease term. Assets subject to operating leases are included in fixed assets. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Leases in which the Company transfers substantially all the risks and rewards incidental to ownership of the asset are classified as finance leases.

Assets leased to others under finance lease are recognized as receivables at an amount equal to the net investment in the leased assets. Finance Income is recognized based on a pattern reflecting a constant periodic rate of return on the net investment of the lessor outstanding in respect of the finance lease.



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Initial direct costs are expensed in the statement of profit and loss at the inception of the lease.

### 3.4 Impairment of Assets

The carrying amounts of assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Fair value less costs to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Impairment losses, if any, are recognised in statement of profit and loss as a component of depreciation expense.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

### 3.5 Cash and Cash Equivalents

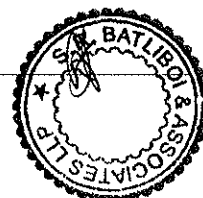
Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank, cash on hand and cheques on hand, call deposits, and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject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

### 3.6 Revenue recognition and receivables

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

**Co-location Income:** Income on Co-location is recognised on an accrual basis.

**Point of presence (POP) services:** Revenue from these services are recognised based on the capacities interconnected at each such POP and varies from time to time.



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### **3.7 Foreign currency translation**

#### *Initial Recognition*

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

#### *Conversion*

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

#### *Exchange Differences*

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

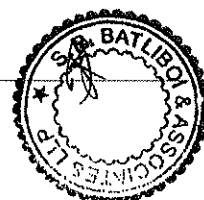
### **3.8 Borrowing costs**

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur.

### **3.9 Taxes**

#### **Current Income tax**

Current Income tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date.



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### **Deferred tax**

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised and reviewed at each balance sheet date, only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations, where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each balance sheet date, unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably or virtually certain, as the case may be, that future taxable income will be available against which such deferred tax assets can be realised.

### **3.10 Segmental reporting**

The Company operates only in one business and geographical segment. Therefore, segment information as per AS 17, 'Segment Reporting', has not been disclosed.

### **3.11 Earnings / (Loss) Per Share**

The earnings considered in ascertaining the Company's Earnings per Share ('EPS') comprise the net profit after tax attributable to equity shareholders. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares). The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares, if any.

### **3.12 Provisions and contingencies**

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



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**Bharti Airtel (Japan) Private Limited**  
**Notes to Financial Statements**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

**4. Share Capital**

	As of March 31, 2016 ( In JPY)	As of March 31, 2015 ( In JPY)
<b>Authorised shares</b>		
1 (March 31, 2015- 1) equity share of JPY 50,000	50,000	50,000
<b>Issued, Subscribed and Paid up shares</b>		
1 (March 31, 2015- 1) equity share of JPY 50,000 each, fully paid	50,000	50,000
	50,000	50,000

Notes:

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year :

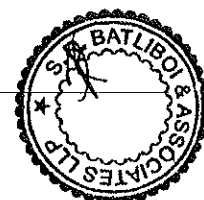
Equity Shares	For the year ended March 31, 2016		For the year ended March 31, 2015	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the year	1	50,000	1	50,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	1	50,000	1	50,000

**(b) Terms/rights attached to equity shares**

The Company has only one class of equity shares having par value of JPY 50,000 per share. Each shareholder of equity share is entitled to one vote per share.

**(c) Shares held by holding company**

	For the year ended March 31, 2016		For the year ended March 31, 2015	
	Number of Shares	% holding	Number of Shares	% holding
Bharti Airtel Holdings ( Singapore) Pte Limited, the holding company	1	100	1	100
1 ( March 31, 2015-1) equity share of JPY 50,000 each, fully paid up				



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**Bharti Airtel (Japan) Private Limited**  
**Notes to Financial Statements**

**5. Reserves & Surplus**

	As of March 31, 2016 ( In JPY)	As of March 31, 2015 ( In JPY)
<b>Surplus/(Deficit) in the statement of profit and loss</b>		
Opening balance	20,528,325	(8,878,302)
Add : Net Profit/ (Loss) for the year	(30,697,539)	29,406,627
<b>Total</b>	<u>(10,169,214)</u>	<u>20,528,325</u>

**6. Long Term Borrowings**

	As of March 31, 2016 ( In JPY)	As of March 31, 2015 ( In JPY)
<b>Unsecured</b>		
Loan and advances from related party (refer note 20)	17,000,000	17,000,000
	<u>17,000,000</u>	<u>17,000,000</u>

**7. Other Current Liabilities**

	As of March 31, 2016 ( In JPY)	As of March 31, 2015 ( In JPY)
Interest accrued but not due on borrowings (refer note 20)	4,987,808	3,738,294
Other taxes payable	51,816	-
	<u>5,039,624</u>	<u>3,738,294</u>

**8. Short Term Provisions**

	As of March 31, 2016 ( In JPY)	As of March 31, 2015 ( In JPY)
Provision for Income Tax ( Net of Advance tax)	1,615,497	5,310,297
	<u>1,615,497</u>	<u>5,310,297</u>



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9. Tangible Assets

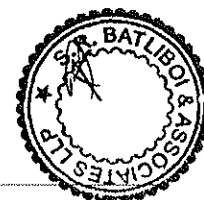
Particulars	(In JPY)	
	Plant and Machinery	Total
Cost		
As of April 1, 2014	25,020,473	25,020,473
Additions	117,374	117,374
<b>As of March 31, 2015</b>	<b>25,137,847</b>	<b>25,137,847</b>
Additions	-	-
<b>As of March 31, 2016</b>	<b>25,137,847</b>	<b>25,137,847</b>
Accumulated Depreciation		
As of April 1, 2014	9,244,990	9,244,990
Charge for the year	1,721,244	1,721,244
<b>As of March 31, 2015</b>	<b>10,966,234</b>	<b>10,966,234</b>
Charge for the year	3,882,055	3,882,055
<b>As of March 31, 2016</b>	<b>14,848,289</b>	<b>14,848,289</b>
Net Carrying Amount		
As of April 1, 2014	15,775,483	15,775,483
As of March 31, 2015	14,171,613	14,171,613
As of March 31, 2016	10,289,558	10,289,558

10. Long Term Loans and Advances

	As of March 31, 2016 (In JPY)	As of March 31, 2015 (In JPY)
Unsecured, considered good unless stated otherwise		
Security Deposits	48,336	31,800
	<b>48,336</b>	<b>31,800</b>

11. Trade Receivables

	As of March 31, 2016 (In JPY)	As of March 31, 2015 (In JPY)
Unsecured, unless stated otherwise		
Other debts (refer note 2(i))	8,887,676	14,403,446
	<b>8,887,676</b>	<b>14,403,446</b>



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**Bharti Airtel (Japan) Private Limited**  
**Notes to Financial Statements**

**12. Cash and Bank Balances**

	As of March 31, 2016 ( In JPY)	As of March 31, 2015 ( In JPY)
<b>Cash and Cash Equivalents</b>		
Balances with banks:		
On current accounts	11,914,951	26,435,487
	<u>11,914,951</u>	<u>26,435,487</u>

**13. Short Term Loans & Advances**

	As of March 31, 2016 ( In JPY)	As of March 31, 2015 ( In JPY)
<b>Unsecured, considered good unless stated otherwise</b>		
Advances recoverable in cash or kind	17,834	-
	<u>17,834</u>	<u>-</u>

**14. Other Current Assets**

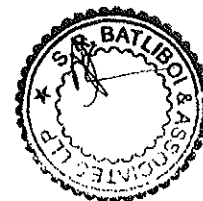
	As of March 31, 2016 ( In JPY)	As of March 31, 2015 ( In JPY)
Service and sales tax recoverable	1,822,094	1,014,648
	<u>1,822,094</u>	<u>1,014,648</u>

**15. Commitments and contingencies**

Capital commitment as of March 31, 2016 is JPY Nil (March 31, 2015: JPY 1,684,569)

**16. Other Income**

	For the year ended March 31, 2016 ( In JPY)	For the year ended March 31, 2015 ( In JPY)
Net foreign currency gain	-	2,054,318
	<u>-</u>	<u>2,054,318</u>



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**17. Employee Benefits Expense**

	For the year ended March 31, 2016 ( In JPY)	For the year ended March 31, 2015 ( In JPY)
Salaries and wages	2,968,419	3,133,906
	<u>2,968,419</u>	<u>3,133,906</u>

**18. Other Expenses**

	For the year ended March 31, 2016 ( In JPY)	For the year ended March 31, 2015 ( In JPY)
Interconnect and Port charges	31,792,410	11,712,333
Legal and Professional	4,122,087	5,099,151
Rates and Taxes	103,640	127,548
Rent	227,432	201,404
Net foreign exchange loss	131,557	-
Miscellaneous Expenses	56,793	57,098
	<u>36,433,919</u>	<u>17,197,534</u>

**19. Finance Costs**

	For the year ended March 31, 2016 ( In JPY)	For the year ended March 31, 2015 ( In JPY)
Interest Expense	1,249,513	1,246,098
Other Finance Charges	380,928	301,439
	<u>1,630,441</u>	<u>1,547,537</u>



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**20. Related Party Disclosure**

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

Related party	Relationship
Bharti Airtel Limited	Ultimate Holding Company
Bharti Airtel Holdings (Singapore) Pte Limited	Holding Company
Bharti International (Singapore) Pte Limited	Fellow Subsidiary
Bharti Airtel (USA) Limited	Fellow Subsidiary
Bharti Airtel (Hong Kong) Limited	Fellow Subsidiary

Related party transactions for 2015-16 ( Amount in JPY)

Nature of Transactions	Bharti Airtel Limited	Bharti Airtel Holdings (Singapore) Pte Ltd	International (Singapore) Pte Ltd	Bharti Airtel (USA) Limited	Bharti Airtel (Hong Kong) Limited	Total
Purchase of Services	(135,440)	-	-	-	-	(135,440)
Expense incurred by related party on behalf of the Company	(44,000)	-	-	-	-	(44,000)
Interest Expense payable to related party	-	(1,249,514)	-	-	-	(1,249,514)
Sale of services	7,205,417	264,000	-	-	6,535,576	14,004,995
<b>Closing Balance</b>						
Interest accrued but not due on borrowings	-	(4,967,808)	-	-	-	(4,967,808)
Borrowings	-	(17,000,000)	-	-	-	(17,000,000)
Trade Receivables : Payables	2,399,734	-	235,709	(43,766)	6,295,999	8,887,676
<b>Total</b>	<b>2,399,734</b>	<b>(21,967,808)</b>	<b>235,709</b>	<b>(43,766)</b>	<b>6,295,999</b>	<b>(13,100,132)</b>

Related party transactions for 2014-15 ( Amount in JPY)

Nature of Transactions	Bharti Airtel Limited	Bharti Airtel Holdings (Singapore) Pte Ltd	International (Singapore) Pte Ltd	Bharti Airtel (USA) Limited	Total
Purchase of Services	(510,667)	-	-	-	(510,667)
Interest Expense payable to related party	-	(1,246,098)	-	-	(1,246,098)
Sale of services	53,049,130	-	-	543,400	53,592,530
<b>Closing Balance</b>					
Interest accrued but not due on borrowings	-	(3,738,294)	-	-	(3,738,294)
Borrowings	-	(17,000,000)	-	-	(17,000,000)
Trade Receivables : Payables	13,891,846	-	(31,800)	543,400	14,403,446
<b>Total</b>	<b>13,891,846</b>	<b>(20,738,294)</b>	<b>(31,800)</b>	<b>543,400</b>	<b>(6,334,848)</b>



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**Bharti Airtel (Japan) Private Limited**  
**Notes to Financial Statements**

**21. Leases** - The Lease rentals charged during the year relating to rent of point of presence (POP) premises, power and space are as follows :

Particulars	For the Year ended March 31, 2016 ( In JPY)	For the year ended March 31, 2015 ( In JPY)
Lease Rentals	19 855 619	10 838 404
Obligation		
Not Later than one year	13 629 473	2 925 000
Later than one year but not later than five years	13 838 684	-

**22. Computation of Earnings / (Loss) per Share (Basic and Diluted)**

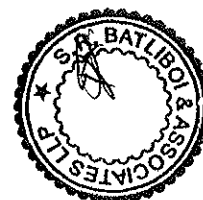
Particulars	For the Year ended March 31, 2016 ( In JPY)	For the Year ended March 31, 2015 ( In JPY)
(a) Profit/ (Loss) attributable to equity shareholders (i)	(30 697 539);	29 406 627
(b) Weighted Average number of equity shares outstanding during the year (ii)	1	1
(c) Total number of shares outstanding at the end of the year	1	1
(d) Nominal value of equity shares ( in JPY)	50 000	50 000
(e) Earnings/ (Loss) per share ( Basic and Diluted) (i)/(ii)	(30 697 539);	29 406 627

**23. Auditor's Remuneration**

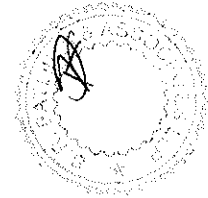
Particulars	For the Year ended March 31, 2016 ( In JPY)	For the year ended March 31, 2015 ( In JPY)
Audit Fees *	404 949	422 484
Reimbursement of Expenses *	25 792	28 173
	<u>430 741</u>	<u>450 657</u>

\* excluding service tax.

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



25. The Company's ability to continue as a going concern is dependent on success of operations and its ability to arrange recurring funding for the project. The Company based on commitments and support from Bharti Airtel Limited, the ultimate Holding Company, is confident of meeting its operating and capital funding requirements in the future. Accordingly, these financial statements have been prepared on a going concern basis.



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