Company Registration No. 2010-05788 R

Bharti International (Singapore) Pte. Limited

Annual Financial Statements
March 31, 2017

Bharti International (Singapore) Pte Limited

General Information

Directors

Jantina Catharina Van De Vreede
Vincent Lim Puay Chong
Ajay Chitkara
Kaushik Sengupta (Appointed on April 21, 2017)
Nitin Kaushal (Resigned on April 30, 2017)

Secretary

Vincent Lim Puay Chong

Registered Office

150 Orchard Road
#08-01 Orchard Plaza
Singapore 238841

Auditors

Ernst & Young LLP

Bankers

Bank of America
Standard Chartered Bank

Directors' statement

The directors are pleased to present their statement to the members together with the audited financial statements of Bharti International (Singapore) Pte Limited (the "Company") for the financial year ended March 31, 2017.

Opinion of the directors

In the opinion of the directors,

(i) the accompanying financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at March 31, 2017 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date; and

(ii) at the date of this statement, with the continuing financial support of the ultimate holding Company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Jantina Catharina Van De Vreede
Vincent Lim Puay Chong
Ajay Chitkara
Kaushik Sengupta

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 in, or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following directors 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 or date of appointment, if later	At the end of financial year
Holding company		
Bharti Airtel Limited		
Options to purchase ordinary shares		
Ajay Chitkara	25,415	29,456

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.

Options

During the financial year, there were:

(a) no option granted by the Company to take up unissued shares in the Company; and
(b) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.
(c) no option granted by the Company to participate by virtue of the options in any share issue of any other company.

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

Auditors

The Board has recommended the appointment of Deloitte & Touche LLP as statutory auditor for the year 2017-18. Deloitte has confirmed their willingness to be nominated and a resolution nominating their appointment will be proposed at the next Annual General Meeting of the shareholders.

On behalf of the Board of Directors:

Sd/-
Jantina Catharina Van De Vreede
Director

Sd/-
Kaushik Sengupta
Director

Dated – June 30, 2017

Independent Auditor's Report to the Members of Bharti International (Singapore) Pte Limited
For the Financial Year ended March 31, 2017

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bharti International (Singapore) Pte Limited (the "Company"), which comprise the balance sheet as at March 31, 2017, statement of comprehensive income, statement of changes in equity and cash flow statement of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at March 31, 2017 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). 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 Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for other information. The other information comprises general information and the directors' statement which are set out on the content page and pages 1 to 3 respectively.

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, 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 management and directors 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 Act and FRSs, 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

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 SSAs 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 SSAs, 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 management.

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Conclude on the appropriateness of management'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.

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.

Sd/-
Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

Dated :- June 30, 2017

Bharti International (Singapore) Pte Limited

Statement of Comprehensive Income
For the Financial Year ended March 31, 2017

	Note	2017 US$	2016 US$ (Restated)
Revenue	6	84,920,034	95,675,242
Cost of sales	7	(45,416,985)	(62,284,381)
Gross profit		39,503,049	33,390,861
Other income	8	5,866,042	6,798,018
Other items of expense and income			
Employee benefit expenses	9	(1,133,775)	(1,421,560)
Depreciation and amortisation	14 & 15	(14,009,302)	(13,044,581)
Other operating expenses	10	(4,573,905)	(5,486,281)
Finance costs	11	(5,708,779)	(10,723,745)
Unusual expenses	12	(1,917,084,605)	-
		(1,942,510,366)	(30,676,167)
(Loss)/profit before tax		(1,897,141,275)	9,512,712
Income tax expense	13	(5,921,586)	(2,850,165)
(Loss)/profit for the year		(1,903,062,861)	6,662,547
Other comprehensive income			
Currency translation reserve		976,039	6,927,178
Total comprehensive income for the financial year		**(1,902,086,822)**	**13,589,725**

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

Bharti International (Singapore) Pte Limited

Statement of Financial Position
As at March 31, 2017

ASSETS	Note	2017 US$	2016 US$ (Restated)	2015 US$ (Restated)
Non-current assets				
Intangible assets	14	104,509,469	116,046,409	119,847,328
Plant and equipment	15	7,733,693	6,662,232	5,771,581
Capital work in progress	15	3,106,801	835,078	259,248
Financial Assets				
- Investment in subsidiaries	16	3,325,557	393,599,645	385,463,117
- Investment in associates	17	383,150,000	1,625,623,943	1,588,223,334
- Due from related parties	19	-	206,309,989	214,216,027
Deferred tax assets	28	-	734,840	895,813
Other non-current assets		397,686	6,934	-
		502,223,206	2,349,819,070	2,314,676,448
Current assets				
Inventories	18	704,266	647,095	909,759
Financial assets				
- Due from related parties	19	14,838,083	59,844,543	33,611,771
- Trade receivables	20	12,762,107	13,710,536	14,556,074
- Cash and cash equivalents	21	3,888,623	43,751,339	2,969,228
- Security Deposit		636,660	536,498	429,900
Other current assets	22	2,439,503	4,011,971	1,821,447
		35,269,242	122,501,982	54,298,179
Total assets		**537,492,448**	**2,472,321,052**	**2,368,974,627**
EQUITY AND LIABILITIES				
Financial Liabilities				
- Borrowings	23	153,958,804	296,427,162	296,427,162
- Trade payables	24	5,768,659	6,670,355	6,072,100
- 'Due to related parties	25	5,584,604	12,837,386	19,386,138
- Others	26	35,060,523	49,358,235	48,463,737
Income tax payable		4,068,391	2,172,219	3,371,089
Deferred revenue	27	19,180,232	18,805,606	18,204,987
Other current liabilities		742,427	293,909	244,996
Deferred tax liabilities	28	160,045	-	-
		224,523,685	386,564,872	392,170,209
Net current liabilities		**(189,254,443)**	**(264,062,890)**	**(337,872,030)**
Financials Liabilities				
- Borrowings	23	-	-	348,455,838
- Security Deposit		15,500	15,500	15,500
Deferred revenue	27	87,051,577	98,085,505	104,267,630
		87,067,077	98,101,005	452,738,968
Total liabilities		**311,590,762**	**484,665,877**	**844,909,177**
Net assets		**225,901,686**	**1,987,655,175**	**1,524,065,450**
Equity attributable to equity holders of the Company				
Share capital	29	1,963,717,883	1,823,384,550	1,373,384,550
Accumulated losses		(2,089,988,324)	(186,880,728)	(193,221,740)
Amalgamation reserve		352,172,127	351,151,353	343,902,640
Total equity		**225,901,686**	**1,987,655,175**	**1,524,065,450**

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

Bharti International (Singapore) Pte Limited

Statement of Changes in Equity
For the financial year ended March 31, 2017

	Share capital (Note 29) US$	Accumulated losses US$	Amalgamation reserve US$ (Restated)	Total US$
Balance as at April 1, 2015	**1,373,384,550**	**(193,221,740)**	**343,902,640**	**1,524,065,450**
Profit for the year	-	6,662,547	-	6,662,547
Issuance of shares	450,000,000	-	-	450,000,000
Currency translation reserve	-	(321,535)	7,248,713	6,927,178
Balance as at March 31, 2016	**1,823,384,550**	**(186,880,728)**	**351,151,353**	**1,987,655,175**
loss for the year	-	(1,903,062,861)	-	(1,903,062,861)
Issuance of shares	140,333,333	-	-	140,333,333
Currency translation reserve	-	(44,735)	1,020,774	976,039
Balance as at March 31, 2017	**1,963,717,883**	**(2,089,988,324)**	**352,172,127**	**225,901,686**

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

Bharti International (Singapore) Pte Limited

Cash Flow Statement
For the financial year ended March 31, 2017

	Note	2017 US$	2016 US$ (Restated)
Cash flows from/(used in) operating activities:			
(Loss)/profit before tax		**(1,897,141,275)**	**9,512,712**
Adjustments:			
Amortisation of intangible assets	14	12,117,865	11,979,964
Depreciation of plant and equipment	15	1,891,437	1,064,617
Allowance for inventory obsolescence	10	308,520	212,661
Interest income	8	(3,855,897)	(4,867,391)
Foreign exchange gain		(1,022,315)	(1,930,627)
Unusual expenses	12	1,917,084,605	-
Liabilities written back		(543,612)	-
(Write back)/allowance for doubtful debts		(411,299)	874,550
Finance costs	11	5,708,779	10,723,745
Profit on sale of plant and equipment		(32,919)	-
Total adjustments		1,931,245,164	18,057,519
Operating cash flows before changes in working capital		**34,103,889**	**27,570,231**
Changes in working capital:			
Decrease/(increase) in trade receivables		1,359,728	(1,380,692)
Decrease/(increase) in other financial and non financial assets		1,081,554	(1,892,095)
(Increase)/decrease in inventories		(365,691)	50,003
Change in amount due from / to related companies		(7,019,654)	(532,631)
Decrease in trade payables, non financial and advance revenue		(15,023,787)	(14,968,878)
Total changes in working capital		(19,967,850)	(18,724,293)
Cash flows generated from operations		14,136,039	8,845,938
Income tax paid		(3,130,529)	(3,901,279)
Interest paid		(7,813,996)	(4,466,457)
Interest received		2,336,358	435,059
Net cash flows generated from operating activities		**5,527,872**	**913,261**
Cash flows from investing activities			
Investment in an associate		(348,545,978)	(257,000,000)
Investment in subsidiaries		(351,575,053)	-
Sale of investment in associate		15,000,000	-
Refund of capital contribution in associate		642,400,000	219,599,391
Loan given to related parties		-	(24,296,264)
Repayment of loan by related parties		4,492,118	12,201,798
Purchase of plant and equipment		(4,957,037)	(3,008,915)
Purchase of intangible assets		(580,925)	(8,179,045)
Proceeds from sale of plant and equipment		129,567	-
Net cash flows used in investing activities		**(43,637,308)**	**(60,683,035)**
Cash flows from financing activities			
Proceeds from borrowings		15,500,000	-
Repayments of borrowings		(17,635,025)	(350,020,001)
Issuance of shares		-	450,000,000
Net cash flows (used in)/generated from financing activities		**(2,135,025)**	**99,979,999**
Net (decrease)/increase in cash and cash equivalents during the year		(40,244,461)	40,210,225
Effect of exchange rate on cash and cash equivalent		381,745	571,886
Cash and cash equivalents at beginning of the year		43,751,339	2,969,228
Cash and cash equivalents at end of the year	21	**3,888,623**	**43,751,339**

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

1. Corporate information

Bharti International (Singapore) Pte. Ltd. ("the Company") is a private limited company incorporated and domiciled in Singapore. The Company is owned by :

a) Bharti Airtel Limited ("Bharti Airtel"), a company incorporated in India, which holds 50.91% shares, and

b) Bharti Airtel International (Mauritius) Limited, a company incorporated in Mauritius, which holds 49.09% of shares.

The immediate and ultimate holding company is Bharti Airtel Limited.

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

The principal activity of the Company is investing, holding and operation and provision of telecommunication facilities and services utilising a network of submarine cable systems and associated terrestrial capacity. The Company sells, leases or otherwise provides wholesale bandwidth and related telecommunication services to carrier customers and to third party customers of its own.

2. Basis of preparation

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

The financial statements of the Company have been prepared under the historical cost convention and are presented in United States Dollar (USD or US$), the functional currency of the Company.

The financial statements have been prepared on going concern basis notwithstanding current liabilities exceeding current assets by US$ 189,254,443 at March 31, 2017 as the ultimate holding company has agreed to provide continuing financial support to the Company for at least twelve months from the date of these financial statements to enable the Company to meet its liabilities as and when they fall due.

3. Amalgamation between Bharti International Singapore Pte Limited and Bharti Airtel Holding (Singapore) Pte Limited "BAHSPL"

During the financial year, the Company amalgamated with its related corporation, BAHSPL with the result of the Company being the surviving legal entity, effective July 15, 2016. As at the effective date of the amalgamation, the net assets of BAHSPL were transferred to the Company. This being a transaction with entities under common control was accounted for via pooling of interest method. Refer to accounting policy under Note 4.5. The amount of the share capital of BAHSPL has been cancelled and adjusted in the reserves in the financial statements of the Company as "Amalgamation reserve".

3. Amalgamation between Bharti International Singapore Pte Limited and Bharti Airtel Holding (Singapore) Pte Limited "BAHSPL" (Cont'd)

Change in functional currency:

Before merger, the functional currency and presentation currency of BAHSPL was Singapore Dollar (SGD) therefore for restatement of previous year figures the financials of BAHSPL has been converted to USD using the below exchange rates:

i). All the assets and liabilities have been converted using the exchange rate as at April 1, 2015 i.e. 1.3738.

ii). All the assets and liabilities have been converted using the exchange rate as at March 31, 2016 i.e. 1.3454.

iii).All the revenue and expenses for the year ended March 31, 2016 have been converted into USD using yearly average rate i.e. 1.38406

iv). All the revenue and expenses for the period April 1, 2016 to July 15, 2016 have been converted into USD using the period average rate i.e. 1.35661.

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4. Summary of significant accounting policies

4.1. *Changes in 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 new and revised standards which are effective for annual financial periods beginning on or after January 1, 2016. The adoption of these standards did not have any significant impact on the financial position or performance of the Company.

4.2. *Standards issued but not yet effective*

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

S. No.	Description	Effective for annual periods beginning on or after
1	Amendments to FRS 7 "Disclosure initiative"	January 1, 2017
2	Amendments to FRS 12 "Recognition of Deferred Tax Assets for Unrealised Losses"	January 1, 2017
3	FRS 115: Revenue from Contract with Customers	January 1, 2018
4	Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	January 1, 2018
5	FRS 116 - Leases	January 1, 2019
6	Amendments to FRS 102: Classification and Measurement of Share-based Payment Transactions	January 1, 2018
7	Amendments to FRS 40: Transfers of Investment Property	January 1, 2018
8	Amendments to FRS 104: Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts	January 1, 2018
9	Improvements to FRSs (December 2016) - Amendments to FRS 28: Measuring an Associate or Joint Venture at fair value.	January 1, 2018
10	Amendments to FRS 110 and FRS 28. "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
11	Amendment to effective date of amendments to FRS 110 and FRS 28	-
12	FRS 109: Financial Instruments	January 1, 2018

Except for FRS 115, FRS 109 and FRS 116 the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115, FRS 109 and FRS 116 are described below.

<u>FRS 115 Revenue from Contracts with Customers</u>

FRS 115 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

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

4.2 Standards issued but not yet effective (cont'd)

FRS 115 Revenue from Contracts with Customers (cont'd)

Key issues for the Company include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or a modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Company is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Company to make changes to its policy and procedures for impairment assessment.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Company is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Company is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Company expects the adoption of the new standard will result in increase in total assets and total liabilities, EBITDA and gearing ratio.

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

4.3. *Investment in subsidiary*

A subsidiary is an investee controlled by the Company. Control exists when it has power over the entity, is exposed, or has right to variable returns from its involvement with the entity and has ability to affect those returns by using its power over entity.

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

4.4. *Investment in associate*

An associate is an entity, not being a subsidiary or a joint venture in which the Company has significant influence. An associate is equity accounted for from the date the Company obtains significant influence until the date the Company ceases to have significant influence over the associate. Investment in associate is accounted for at cost less impairment losses, if any.

4.5. *Consolidation*

The Company has not prepared consolidated financial statements as the Company is itself is a wholly-owned subsidiary of Bharti Airtel Limited, the ultimate holding company in corporated in India which prepares consolidated financial statements which can be obtained at Bharti Cresent, 1, Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi, India.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as amalgamation reserve.
- The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place.

Comparatives are restated to reflect the combination as if it had occurred from the beginning of the earliest period presented in the financial statements or from the date the entities had come under common control, if later.

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

4.6. *Functional and foreign currency*

Functional currency

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be United States Dollar. Sales prices and major costs of providing goods and services including major operating expenses are primarily influenced by fluctuations in United States Dollar.

Transactions and balances

Transactions in foreign currencies are measured in United States Dollar and are recorded on initial recognition in United States Dollar 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 reporting date. 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 was measured.

Exchange difference 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.

4.7. Plant and equipment

All items of plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the plant and equipment that are directly attributable to the acquisition, construction or production of a qualifying plant and equipment. The cost of an item of plant and equipment is recognised as an asset if, and only if, 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.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of 8-10 years for machinery and equipment.

The carrying value of plant and equipment are reviewed for impairment when events or change in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the assets is included in profit or loss in the year the asset is derecognised.

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

4.8. *Intangible assets*

Bandwidth

Payments for bandwidth capacities are classified as pre-payments in service arrangements or under certain conditions as an acquisition of a right. In the latter case, it is accounted for as an intangible asset and the cost is amortised over the period of the agreement.

4.9. *Impairment of non-financial assets*

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal 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 of disposal, recent market transactions are taken into account, if available. If no such transaction can be identified, an appropriate valuation model is used. Impairment losses are recognised in profit or loss.

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 profit or loss.

4.10. *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.

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

4.10 Financial Instruments (cont'd)

(a) Financial assets (cont'd)

Initial recognition and measurement (Cont'd)

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.

Subsequent measurement

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 profit or loss 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 profit or loss.

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 the end of 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.

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

4.10 Financial Instruments (cont'd)

(a) Financial assets (cont'd)

Impairment of financial assets (cont'd)

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 profit or loss.

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 profit or loss.

(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 profit or loss.

Subsequent measurement

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

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

4.10 Financial Instruments (cont'd)

(b) Financial liabilities (cont'd)

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.

(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.

4.11. *Cash and cash equivalents*

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

4.12. *Inventories*

Inventories are stated at the lower of cost (determined on a first in first out ('FIFO') basis) and net realisable value. Inventory costs include purchase price, freight inwards and transit insurance charges.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

4.13. *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 the profit or loss net of any reimbursement.

Provisions are reviewed at the end of each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will

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

4.13 Provisions (cont'd)

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.

4.14. *Contingencies*

A contingent liability is:

a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Group; or

b) A present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(ii) The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the balance sheet of the Company.

4.15. *Employee benefits*

Defined contribution plans

The Company's contributions to defined contribution plans are recognised in profit or loss in the period in which the related service is performed. The Company has no further obligations under these plans beyond its periodic contributions.

4.16. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

4.17. *Revenue*

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, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable, excluding value added tax.

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

4.17 Revenue (cont'd)

a) ***Sale of goods***

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

b) ***Rendering of services***

The Company has entered into certain Indefeasible Right of Use ("IRU") agreements. An IRU is a right to use a specified amount of capacity for a specific time period that cannot be revoked or voided.

Revenue from IRU agreements is recognised on a straight line basis over the period of the agreement.

c) ***Deferred revenue***

Deferred revenue includes amount received in advance from customers which would be recognised over the periods when the related services are expected to be rendered.

d) ***Interest Income***

Interest income is recognised using the effective interest method.

4.18. *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 date.

Current income taxes are recognised in profit or loss. 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 date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

4.18 Taxes (cont'd)

(b) Deferred Tax (cont'd)

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, 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 the end of 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 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 assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) ***Sales tax***

Revenues, expenses and assets are recognised net of the amount of sales tax except:

Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

4.19. *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.

4.20. *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.

5. 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 the end of 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.

5.1 *Critical judgements made in applying accounting policies*

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

Determination of functional currency

The Company has determined its functional currency as USD which being the currency of the primary economic environment in which it operates. The management have considered the factors as prescribed in FRS 21 "The effects of changes in foreign exchange rates" for determining the functional currency. The items included in the financial statements are measured using that functional currency.

5.2 *Critical accounting estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Actual results could differ from these estimates.

Income taxes

Significant 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 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 liabilities at the reporting date were US$ 4,068,391 (March 31, 2016: US$ 2,172,219, April 1, 2015: US$ 3.371,089) and US$ 160,045 (Deferred tax assets on March 31, 2016: US$ 734,840, April 1, 2015: US$ 895,813) respectively.

6. Revenue

	2017 US$	2016 US$ (Restated)
Service revenue	77,172,297	82,006,797
Sale of goods	7,747,737	13,668,445
	84,920,034	**95,675,242**

7. Cost of sales

	2017 US$	2016 US$ (Restated)
Network expenses	40,062,085	50,678,761
Cost of goods sold	5,354,900	11,605,620
	45,416,985	**62,284,381**

8. Other income

	2017 US$	2016 US$ (Restated)
Interest income on loan to related parties (Refer note 31)	2,495,436	4,867,391
Interest income on deposits	1,360,461	-
Exchange gains	1,022,315	1,930,627
Liabilities written back	543,612	-
Write-back of doubtful debts	411,299	-
Profit on sale of plant and equipment	32,919	-
	5,866,042	**6,798,018**

9. Employee benefit expenses

	2017 US$	2016 US$ (Restated)
Salaries and wages	280,221	385,961
Allowances	726,782	843,753
Other benefits	126,772	191,846
	1,133,775	**1,421,560**

10. Other operating expenses

	2017 US$	2016 US$ (Restated)
Allowance for doubtful debts	-	874,550
Provisions for other receivables	165,541	8,275
Allowance for inventory obsolescence	308,520	212,661
Legal and professional charges	2,160,040	2,023,641
License fee	489,162	569,162
Sales commission and incentive	874,579	855,331
Other expenses	576,063	942,661
	4,573,905	**5,486,281**

11. Finance costs

	2017 US$	2016 US$ (Restated)
Interest expense on bank borrowings	-	3,627,718
Interest expense to related/holding company (Refer note 31)	5,632,760	5,453,685
Bank charges	76,019	78,179
Exchange fluctuation loss	-	-
Amortised loan origination costs	-	1,564,163
	5,708,779	**10,723,745**

12. Unusual expenses:

Unusual expenses include the following:

a. Net loss of USD 1,316,769,921 on sale of investment in its associate Bharti Airtel International (Netherlands) B.V. (BAIN) (Refer note 17),

b. Net loss of USD 600,277,954 on sale of investment in its subsidiary Airtel Bangladesh limited (Refer note 16) and

c. Charge of USD 36,730 resulting from reassessment of the useful life of certain categories of network assets due to technologies advancements.

13. Income tax

The major components of income tax expense for the year ended March 31, 2017 and March 31, 2016 are:

	2017 US$	2016 US$ (Restated)
Current income tax		
- Current income tax	4,224,768	1,848,805
- Under provision in respect of previous years	802,455	853,527
	5,027,223	2,702,332
Deferred income tax (Note 28)		
Origination and reversal of temporary differences	1,267,291	1,058,306
Over provision in respect of previous years	(372,928)	(910,473)
	894,363	147,833
Income tax expense recognised in profit or loss	**5,921,586**	**2,850,165**

The reconciliation between the tax expense and the product of accounting (loss)/profit multiplied by the Singapore statutory tax rate for the financial year ended March 31, 2017 and March 31, 2016 is as follows:

	2017 US$	2016 US$ (Restated)
(Loss)/profit before tax	(1,897,141,275)	9,512,712
Tax at statutory tax rate of 17% (2015-16: 17%)	(322,514,017)	1,617,161
Adjustments:		
Non-deductible expense	327,411,680	1,044,968
Foreign tax suffered	594,396	244,982
Deferred tax credit recognised in respect of previous years	(372,928)	(910,474)
Under provision in respect of current income tax of previous years	802,455	853,528
Income tax expense recognised in profit or loss	**5,921,586**	**2,850,165**

14. Intangible assets

	Bandwidth US$
Cost	
As at April 1, 2015	174,713,921
Additions	8,179,045
As at March 31, 2016	182,892,966
Additions	580,925
As at March 31, 2017	183,473,891
Accumulated amortisation	
As at April 1, 2015	54,866,593
Charge for the year	11,979,964
As at March 31, 2016	66,846,557
Charge for the year	12,117,865
As at March 31, 2017	78,964,422
Net book value	
As at April 1, 2015	**119,847,328**
As at March 31, 2016	**116,046,409**
As at March 31, 2017	**104,509,469**

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15. Plant and equipment

	Machinery and equipment	Construction in progress	Total
	US$	US$	US$
Cost			
As at April 1, 2015	10,013,120	259,248	10,272,368
Additions	1,955,268	575,830	2,531,098
As at March 31, 2016	11,968,388	835,078	12,803,466
Additions	3,096,276	2,271,723	5,367,999
Sales/Adjustments	(257,156)	-	(257,156)
As at March 31, 2017	14,807,508	3,106,801	17,914,309
Accumulated depreciation			-
As at April 1, 2015	4,241,539	-	4,241,539
Charge for the year	1,064,617	-	1,064,617
As at March 31, 2016	5,306,156	-	5,306,156
Charge for the year*	1,928,167	-	1,928,167
Sales/Adjustments	(160,508)	-	(160,508)
As at March 31, 2017	7,073,815	-	7,073,815
Net book value			
As at April 1, 2015	**5,771,581**	**259,248**	**6,030,829**
As at March 31, 2016	**6,662,232**	**835,078**	**7,497,310**
As at March 31, 2017	**7,733,693**	**3,106,801**	**10,840,494**

* Depreciation for the year 2016-17 includes exceptional depreciation for USD 36,730 due to change in life of assets. (Refer Note 12)

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16. Investment in subsidiaries:

	2017 US$	2016 US$ (Restated)	2015 US$ (Restated)
Investment in subsidiaries, at cost	3,325,557	393,599,645	385,463,117
	3,325,557	**393,599,645**	**385,463,117**

During the year the Company decreased its investment in its associate BAIN by USD 293,854,022 by way of fresh investment of USD 348,545,978 and refund of USD 642,400,000. In March 2017, the Company has sold its investment in BAIN to Network I2I Limited for a consideration of USD 15,000,000. The net loss of USD 1,316,769,921 has been recognized as an expense under unusual expenses.

During the year the Company increased its investment in its subsidiary Airtel Bangladesh Limited by USD 600,398,420 which includes USD 350,714,077 as cash investment and USD 249,684,343 by conversion of loan and interest.

During the year ended March 31, 2016, the Company had entered into a definitive agreement with Axiata Group Berhad for combining the business operations of its telecommunication subsidiary in Bangladesh. Accordingly, the Company has acquired 25% stake valuing USD 383,150,000 in the merged entity (viz. Robi Axiata Limited) on November 16, 2016 against the investment in Airtel Bangladesh Limited and a loss of USD 600,277,954 has been recognised as an expenses under unusual expenses.

As at March 31, 2017 and March 31, 2016, the equity shares of the associates and subsidiaries are unquoted.

Detail of Subsidiaries/Associates

			% of ownership interest	
A. Name of subsidiaries	**Country of Incorporation**	**Principal activities**	**2017**	**2016**
Airtel Bangladesh Limited	Bangladesh	Telecom services	-	100.00%
Bhrti Airtel (France) SAS	France	Telecom services	100.00%	100.00%
Bharti Airtel (Japan) Kabushiki Kaisha	Japan	Telecom services	100.00%	100.00%
Bharti Airtel (UK) Ltd.	UK	Telecom services	62.97%	62.97%

B. Name of associates	**Country of Incorporation**	**Principal activities**	**2017**	**2016**
Bharti Airtel International (Netherlands) B.V. (BAIN)	Netherlands	Investment Company	-	49.00%
Robi Axiata Limited (associate w.e.f. November 16, 2016)	Bangladesh	Telecom services	25.00%	0.00%

17. Investment in associates

	2017	2016	2015
	2017	US$	US$
		(Restated)	(Restated)
Investment in associates, at cost	383,150,000	1,625,623,943	1,588,223,334
	383,150,000	**1,625,623,943**	**1,588,223,334**

Refer to note 16 for the details of transactions that occurred during the year.

18. Inventories

	2017	2016	2015
	US$	US$	US$
		(Restated)	(Restated)
Balance sheet :			
Telecommunication equipments at cost	704,266	647,095	909,759
Income statement :			
Inventories recognised as an expense in cost of goods sold	5,354,900	11,605,620	
Inclusive of the following charge:			
- allowance for inventory obsolescence	308,520	212,661	

19. Due from related parties

	2017	2016	2015
	US$	US$	US$
		(Restated)	(Restated)
Non Current			
Loan to related parties	-	196,060,266	207,844,332
Interest receivable on loan to related parties	-	10,249,723	6,371,695
	-	**206,309,989**	**214,216,027**
Current			
Loan to related parties	2,710,037	45,060,263	21,004,669
Other receivables	11,043,311	10,791,820	9,131,007
Interest receivable on loan to related parties	1,084,735	3,992,460	3,476,095
	14,838,083	**59,844,543**	**33,611,771**

Loan to related parties is unsecured, carries an interest rate determined based on LIBOR plus margin which has an effective interest rate of 2.92% (March 31, 2016: 2.13%) and is expected to be recovered within next 12 months.

The loan to related parties is denominated in United States Dollar (USD).

20. Trade receivables

	2017 US$	2016 US$ (Restated)	2015 US$ (Restated)
Third parties	16,355,070	17,714,798	17,685,786
Less: Allowance for impairment	3,592,963	4,004,262	3,129,712
	12,762,107	**13,710,536**	**14,556,074**

Trade receivables are non-interest bearing and generally have up to 30 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The allowance for impairment represents the nominal amount of trade receivable impaired.

Receivables that are past due but not impaired

The Company has trade receivables amounting to US$ 9,092,590 (March 31, 2016: US$ 10,597,443, April 1, 2015: US$ 9,168,960) that are past due at the end of reporting date but not impaired. These receivables are unsecured and the analysis of their ageing at the reporting date is as follows:

	2017 US$	2016 US$ (Restated)	2015 US$ (Restated)
Neither past due nor impaired (including unbilled)	3,669,517	3,113,093	5,387,114
Past due but not impaired:			
Lesser than 30 days	4,334,735	3,725,196	3,843,982
30 to 60 days	2,361,997	4,091,845	3,469,936
60 to 90 days	1,922,032	1,855,835	1,587,487
More than 90 days	473,826	924,567	267,555
	12,762,107	**13,710,536**	**14,556,074**

Allowance for doubtful debts

	2017 US$	2016 US$ (Restated)	2015 US$ (Restated)
Balance at the beginning of the year	4,004,262	3,129,712	3,090,152
(Write back)/allowance for the year	(411,299)	874,550	39,560
Balance at the end of the year	**3,592,963**	**4,004,262**	**3,129,712**

21. Cash and cash equivalents

	2017 US$	2016 US$ (Restated)	2015 US$ (Restated)
Cash at banks and on hand	3,888,623	43,751,339	2,969,228
	3,888,623	**43,751,339**	**2,969,228**

Cash and cash equivalents denominated in foreign currency as on March 31 are as follows:-

	2017 US$	2016 US$ (Restated)	2015 US$ (Restated)
Singapore dollar	294,037	855,183	742,080

22. Other current assets

	2017 US$	2016 US$ (Restated)	2015 US$ (Restated)
Prepaid expenses	1,970,359	1,731,183	861,395
Advance to suppliers	221,064	1,265,657	243,489
Service and sale tax recoverable	213,072	308,038	13,044
Others	35,008	707,093	703,519
	2,439,503	**4,011,971**	**1,821,447**

23. Borrowings

	2017 US$	2016 US$ (Restated)	2015 US$ (Restated)
Non current			
Others	-	-	348,455,838
	-	-	**348,455,838**
Current			
Due to holding company	-	140,322,220	140,322,220
Due to related parties	153,958,804	156,104,942	156,104,942
	153,958,804	**296,427,162**	**296,427,162**

The borrowings are due for repayment on March 31, 2018 which carries an interest rate determined based on LIBOR + Margin which has an effective interest rate 2.70% (March 31, 2016: 1.88%) as at March 31, 2017.

23. Borrowings (cont'd)

The carrying amount of the borrowing is reasonable approximation of fair values as it carries interest at a floating rate and re-priced to market interest rates on or near the balance sheet date.

24. Trade payables

	2017 US$	2016 US$ (Restated)	2015 US$ (Restated)
Trade creditors	5,621,482	5,822,760	5,209,091
Network cost payable	147,177	847,595	863,009
	5,768,659	**6,670,355**	**6,072,100**

25. Due to related parties

These amounts are trade related, unsecured, non-interest bearing and repayable on maturity.

26. Financial liabilities – others

	2017 US$	2016 US$ (Restated)	2015 US$ (Restated)
Accrued expenses	18,854,865	20,622,842	23,517,747
Equipment supply payables	837,066	429,632	900,514
Others	3,009,241	13,841,193	14,249,027
Accrued interest	12,359,351	14,464,568	9,796,449
	35,060,523	**49,358,235**	**48,463,737**

27. Deferred Revenue

	2017 US$	2016 US$ (Restated)	2015 US$ (Restated)
Deferred revenue (Current)	19,180,232	18,805,606	18,204,987
Deferred revenue (Non-current)	87,051,577	98,085,505	104,267,630
	106,231,809	**116,891,111**	**122,472,617**

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28. Deferred tax assets/ (liabilities)

Deferred income tax assets/(liabilities) as at March 31 relates to the following:-

	Statement of Financial Position			Statement of Comprehensive Income	
	2017	2016	2015	2017	2016
	US$	US$	US$	US$	US$
Deferred tax liabilities:					
Difference in depreciation for tax purpose	(1,314,728)	(1,044,020)	(1,025,240)	270,708	(18,780)
Difference in amortization of intangible assets	(791,250)	(881,725)	(691,652)	(90,475)	(190,074)
Deferred tax liability on foreign sourced interest income	(426,724)	(604,491)	(1,674,156)	(178,289)	209,293
	(2,532,702)	**(2,530,236)**	**(3,391,048)**	**1,944**	**439**
Deferred tax assets:					
Provisions	2,372,657	3,265,076	3,117,682	892,419	147,394
Brought Forward Losses	-	-	1,169,179		
	2,372,657	**3,265,076**	**4,286,861**	**892,419**	**147,394**
Net deferred tax (liabilities)/assets	**(160,045)**	**734,840**	**895,813**		
Deferred tax expense				**894,363**	**147,833**

29. Share capital

	2017		2016	
	No. of shares	US$	No. of shares	US$
Issued and fully paid ordinary shares:				
At April 1	1,166,281,094	1,823,384,550	1,166,281,091	1,373,384,550
Issuance of shares	1	140,333,333	3	450,000,000
At March 31	**1,166,281,095**	**1,963,717,883**	**1,166,281,094**	**1,823,384,550**

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

During the year, the Company issued 1 ordinary share (2016: 3 ordinary shares) against conversion of loan of USD 140,333,333 (2016 for cash: USD 450,000,000).

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30. Commitments

(a) Capital commitment

	2017 US$	2016 US$ (Restated)	2015 US$ (Restated)
Capital commitment	2,980,563	3,368,033	1,356,139

Capital commitment is in respect of purchase of plant and equipment.

(b) Operating lease commitments - as lessee

The Company leases space under non-cancellable lease arrangements of one year, with options to renew automatically for additional terms of one year each

	2017 US$	2016 US$ (Restated)
Lease rentals	72,198	72,117

Future minimum lease payments under non-cancellable leases are as follows:

Operating Lease	2017 US$	2016 US$ (Restated)	2015 US$ (Restated)
Not later than one year	73,134	90,912	49,673
Later than one year but not later than five years	48,756	166,699	-
	121,890	257,611	49,673

(c) Contingent liability

	2017 US$	2016 US$ (Restated)	2015 US$ (Restated)
Withholding tax payable	61,011	63,346	60,962

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31. Related party transactions:-

Name of related parties shown below based on transaction occurred during the current and previous year

Name of related parties	Relationship
Bharti Airtel Limited	Holding Company
Bharti Airtel (USA) Limited	Related Company
Bharti Airtel (Hong Kong) Limited	Related Company
Network i2i Limited	Related Company
Bharti Airtel International (Netherlands) B.V. **	Associate
Bharti Airtel Lanka (Private) Limited	Related Company
Bharti Airtel (UK) Limited	Subsidiary Company
Airtel Bangladesh Limited (merged with Robi Axiata Limited on November 16, 2016)	Subsidiary Company
Bharti Airtel International (Mauritius) Limited	Related Company
Bharti Airtel (Japan) Kabushiki Kaisha	Subsidiary Company
Bharti Airtel (France) SAS	Subsidiary Company
Airtel Ghana Limited	Related Company
Airtel Madagascar S.A.	Related Company
Airtel Networks Kenya Limited	Related Company
Airtel Networks Limited	Related Company
Airtel (Seychelles) Limited	Related Company
Airtel Tanzania Limited	Related Company
Airtel Networks Zambia Plc (formerly known as Celtel Zambia Plc)	Related Company
Celtel Congo (RDC) S.a.r.l.	Related Company
Celtel Niger S.A.	Related Company
Bharti Airtel Nigeria B.V.	Related Company
Singapore Telecommunications Limited	Entities having significant influence over the company
Robi Axiata Limited *	Associate

* Associate w.e.f. November 16, 2016

** During the year the company has sold all the stake in the associate to Network I2I Limited

31. Related party transactions (cont'd)

Related party disclosure

The Company has the following transactions with related parties during the year.

Nature	2017 US$	2016 US$ (Restated)
Sale of Services		
- Holding Company	12,375,717	22,131,519
- Related Companies	7,125,938	8,396,638
- Associate	-	44,829
Usage of brand name and manpower costs		
- Holding Company	208,299	212,663
Purchase of Intangible Assets		
- Holding Company	6,798	-
- Related Companies	220,868	-
Sale of Intangible Assets		
- Holding Company	253,998	-
Receiving of Services		
- Holding Company	8,023,872	9,021,421
- Related Companies	16,342,438	32,945,058
- Associate	-	
Interest Expense		
- Holding Company	1,487,068	2,235,610
- Related Companies	4,145,692	3,218,075
Interest Income		
- Subsidiary Companies	2,388,977	2,495,627
- Related Companies	106,459	2,371,764
Proceeds from issuance of ordinary shares		
- Related Companies	-	450,000,000
Conversion of loan for issuance of ordinary shares		
- Holding Company	140,333,333	-
Refund of capital contribution (included in investment)		
- Associate	642,400,000	219,599,391
Investment made		
- Subisidiary Company	351,575,053	-
- Associate	731,695,978	257,000,000
Loans given		
- Subsidiary Companies	-	24,296,264
Repayment of loan given		
- Subsidiary Companies	2,140,730	11,098,411
- Related Companies	2,351,388	1,103,387

31. Related party transactions (cont'd)

Nature	**2017** US$	**2016** US$ **(Restated)**
Conversion of loan and interest into investment		
- Subsidiary Companies	248,596,620	-
Repayment of loan taken		
- Related Companies	17,635,025	-
Loan taken		
- Related Companies	15,500,000	-
- Holding Company	-	-

Compensation to key management personnel

	2017 US$	**2016** US$
Short-term employee benefits	206,348	22,590
Comprise amounts paid to:		
Director of the Company	206,348	22,590
Professional or consulting fee paid to a firm in which a director of the company is a director	49,243	15,300

32. Fair value of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Financial instruments whose carrying amount approximates fair value.

Management has determined that the carrying amounts of trade and other receivables, cash and cash equivalents, amounts due to/from related companies, other payables and accruals and loan from related companies reasonably approximate their fair values because these are mostly short term in nature or are repriced regularly.

	Loans and receivables US$	Liabilities at amortised cost US$	Total US$
As of March 31, 2017			
Assets			
Trade receivables	12,762,107	-	12,762,107
Cash and cash equivalents	3,888,623	-	3,888,623
Due from related parties	14,838,083	-	14,838,083
Security deposits	636,660	-	636,660
	32,125,473	-	**32,125,473**
Liabilities			
Trade payables	-	5,768,659	5,768,659
Due to related parties	-	5,584,604	5,584,604
Borrowings	-	153,958,804	153,958,804
Others	-	35,076,023	35,076,023
	-	**200,388,090**	**200,388,090**

	Loans and receivables US$	Liabilities at amortised cost US$	Total US$
As at March 31, 2016 (Restated)			
Assets			
Trade receivables	13,710,536	-	13,710,536
Cash and cash equivalents	43,751,339	-	43,751,339
Due from related parties	266,154,532	-	266,154,532
Security deposits	536,498	-	536,498
	324,152,905	-	**324,152,905**
Liabilities			
Trade payables	-	6,670,355	6,670,355
Due to related parties	-	12,837,386	12,837,386
Borrowings	-	296,427,162	296,427,162
Others	-	49,373,735	49,373,735
	-	**365,308,638**	**365,308,638**

32. Fair value of financial instruments (Cont'd)

	Loans and receivables	Liabilities at amortised cost	Total
As at April 1, 2015 (Restated)	US$	US$	US$
Assets			
Trade receivables	14,556,074	-	14,556,074
Cash and cash equivalents	2,969,228	-	2,969,228
Due from related parties	247,827,798	-	247,827,798
Security deposits	429,900		429,900
	265,783,000	-	**265,783,000**
Liabilities			
Trade payables	-	6,072,100	6,072,100
Due to related parties	-	19,386,138	19,386,138
Borrowings	-	644,883,000	644,883,000
Others	-	48,479,237	48,479,237
	-	**718,820,475**	**718,820,475**

33. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk and they are summarised below:

(a) ***Credit risk***

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument, leading to a financial loss. The Company's exposure to credit risk arises primarily from cash and cash equivalents, trade and other receivables, and amount due from related companies. No other financial assets carry a significant exposure to credit risk.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

Exposure to credit risk

At the end of reporting date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

Credit risk concentration profile

The Company has no major concentration of credit risk other than the amount due from related companies.

Cash and cash equivalents are placed with reputed financial institutions.

33. Financial risk management objectives and policies (Cont'd)

(b) *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

To manage liquidity risk, the company monitors its net operating cash flow and maintains an adequate level of cash and cash equivalents to finance the Company's operations and mitigate the effects of fluctuations in cash flows. The Company is dependent on its holding company for financial support.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of reporting date based on contractual undiscounted repayment obligation.

	Less than 1 year	1-5 years	Total
	US$	US$	US$
As at March 31, 2017			
Financial Liabilities			
Trade payables and accruals	5,768,659	-	5,768,659
Due to related parties	5,584,604	-	5,584,604
Borrowings*	158,113,721	-	158,113,721
Others	35,076,023	-	35,076,023
Total undiscounted financial liabilities	**204,543,007**	-	**204,543,007**

	Less than 1 year	1-5 years	Total
	US$	US$	US$
As at March 31, 2016 (Restated)			
Financial Liabilities			
Trade payables	6,670,355	-	6,670,355
Due to related parties	12,837,386	-	12,837,386
Borrowings*	300,544,239	-	300,544,239
Others	49,373,735	-	**49,373,735**
Total undiscounted financial liabilities	**369,425,715**	-	**369,425,715**

	Less than 1 year	1-5 years	Total
	US$	US$	US$
As at April 1, 2015 (Restated)			
Financial Liabilities			
Trade payables	6,072,100	-	6,072,100
Due to related parties	19,386,138	-	19,386,138
Borrowings*	308,298,807	358,053,648	666,352,455
Others	48,479,237	-	48,479,237
Total undiscounted financial liabilities	**382,236,282**	**358,053,648**	**740,289,930**

33. Financial risk management objectives and policies (cont'd)

(b) ***Liquidity risk (Cont'd)***

* includes contractual interest payment based on interest rate prevailing at the end of the reporting date, over the tenor of the borrowings.

(c) ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their bank borrowings and interest bearing loans given to related parties.

The Company's exposure to fluctuation in interest rate is described below:

	Change in interest rate (basis points)	Effect on profit/(Loss) before tax USD
2017		
Loan given to related party/loan	+50	12,788
taken from related party	-50	(12,788)
2016		
Loan given to related party/loan	+50	503,235
taken from related party	-50	(503,235)
2015		
Loan given to related party/loan	+50	441,926
taken from related party	-50	(441,926)

(d) ***Foreign currency risk***

The Company has transactional currency exposures arising from balances that are denominated in a currency other than the functional currency.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Company's (loss)/profit before tax to a reasonably possible change in the Indian rupees, Euro, Singapore dollars and other foreign currencies exchange rates against the functional currency of the Company, with all other variables held constant.

33. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

	Change in currency exchange rate	Effect on (loss)/profit before tax March 31,2017 US$	March 31,2016 US$	April 1,2015 US$
Indian rupees	+5%	(45,823)	(185,560)	(245,515)
	-5%	45,823	185,560	245,515
Euro	+5%	(12,710)	111,776	87,020
	-5%	12,710	(111,776)	(87,020)
Singapore Dollars	+5%	(57,512)	37,676	19,779
	-5%	57,512	(37,676)	(19,779)
Hongkong Dollar	+5%	179,322	337,981	406,826
	-5%	(179,322)	(337,981)	(406,826)
Japan Yen	+5%	10,419	9,800	8,646
	-5%	(10,419)	(9,800)	(8,646)
Others	+5%	1,168	(3,506)	(15,211)
	-5%	(1,168)	3,506	15,211

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34. 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 value.

The Company 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 shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March, 31, 2017 and March 31, 2016. The Company is dependent on its holding company for financial support.

The Company monitors capital using a gearing ratio, which is net debt divided by a total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents

	2017 US$	2016 US$ (Restated)	2015 US$ (Restated)
Interest Bearing Loans & Borrowings	153,958,804	296,427,162	644,883,000
Less: Cash and Cash Equivalents	3,888,623	43,751,339	2,969,228
Net Debt	**150,070,181**	**252,675,823**	**641,913,772**
Equity	225,901,686	1,987,655,175	1,524,065,450
Total Capital	**225,901,686**	**1,987,655,175**	**1,524,065,450**
Capital and Net Debt	375,971,867	2,240,330,998	2,165,979,222
Gearing Ratio	39.92%	11.28%	29.64%

35. Authorisation of financial statements for issue

The financial statements for the financial year ended March 31, 2017 were authorised for issue in accordance with a resolution of the directors on June 30, 2017.