

Indo Teleports Limited

(formerly 'Bharti Teleports Limited')

Ind AS Financial Statements for the year ended

March 31, 2017

Indo Teleports Limited

Ind AS Financial Statements – March 2017

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Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Members of Indo Teleports Limited (formerly Bharti Teleports Limited)

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Indo Teleports Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs. 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 judgments 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 Ind AS 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 Ind AS 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 of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS 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, 2017, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended by the Companies (Audit and Auditors) Amendment Rules, 2017 in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

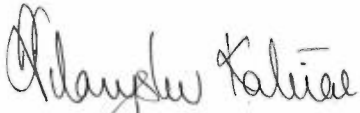
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- iv. As per books of accounts of the Company and represented by the management, the disclosure requirement as envisaged in Notification G.S.R 308(E) dated 30th March 2017 is not applicable to the Company - Refer Note 9 to the Ind AS financial statements.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Nilangshu Katriar
Partner

Membership Number: 58814

Place of Signature: New Delhi

Date: May 25, 2017



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Annexure 1

**Annexure referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirements'
Re: Indo Teleports Limited (formerly Bharti Teleports Limited) ('the Company')**

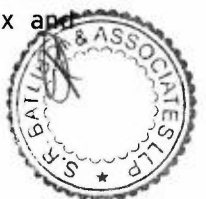
- i. (a). The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b). Fixed assets were physically verified by the management in the financial year 2015-16 in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c). According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- ii. The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.
- vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, service tax, custom duty and other material statutory dues applicable to it. The provisions relating to provident fund, investor education and protection fund, employees' state insurance, excise duty, sales-tax and value added tax are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax, custom duty and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, , service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.



S.R. BATLIBOI & ASSOCIATES LLP

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- viii. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- ix. According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

Nilangshu Katriar
per Nilangshu Katriar
Partner
Membership No.:58814



Place : New Delhi

Date : May 25, 2017

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Annexure 2

Annexure to the Independent Auditor's Report of Even Date on the Ind AS Financial Statements of Indo Teleports Limited (formerly Bharti Teleports Limited)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Indo Teleports Limited (formerly Bharti Teleports Limited)

We have audited the internal financial controls over financial reporting of Indo Teleports Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,



S.R. BATLIBOI & ASSOCIATES LLP

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accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

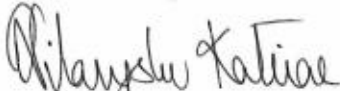
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Nilangshu Katriar**

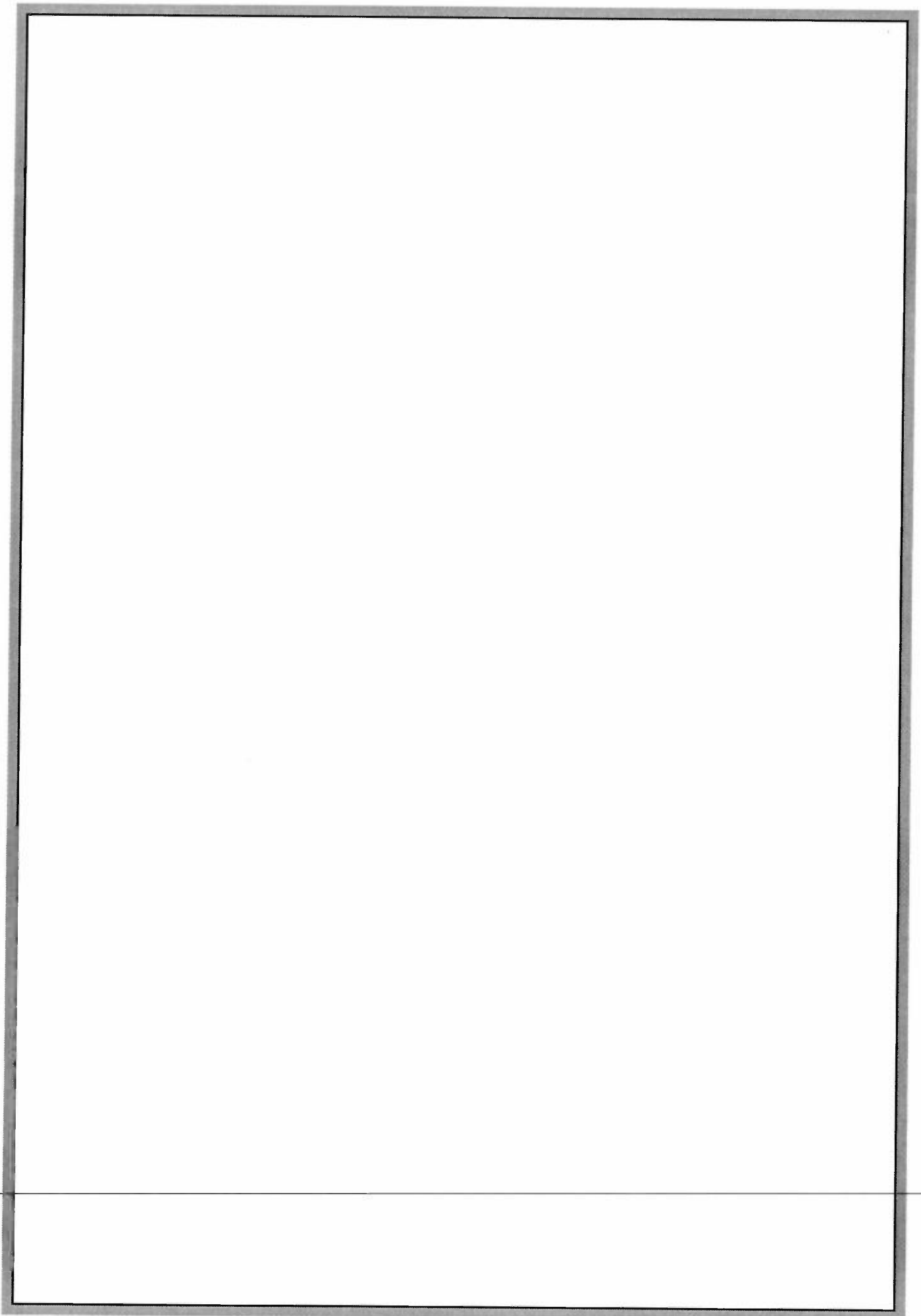
Partner

Membership Number: 58814

Place of Signature: New Delhi

Date: May 25, 2017





Ind AS Financial Statements

Indo Teleports Limited
Balance Sheet
(All amounts are in thousands of Indian Rupees)

	Notes	As of		
		March 31, 2017	March 31, 2016	April 1, 2015
Assets				
Non-current assets				
Property, plant and equipment	5	144,856	155,770	171,028
Capital work-in-progress	5	34	1,199	426
Other non-financial assets	7	28,378	-	-
		173,268	156,969	171,454
Current assets				
Financial assets				
- Trade receivables	8	126,834	103,763	89,664
- Cash and cash equivalents	9	11,952	20,588	17,928
- Others	10	-	2,982	2,649
Current tax assets		78,935	87,909	79,387
Other current assets	7	31,723	29,861	33,320
		249,444	245,103	222,948
Total Assets		422,712	402,072	394,402
Equity and Liabilities				
Equity				
Share capital	11	230,000	230,000	230,000
Other equity		(678,697)	(588,878)	(510,429)
		(448,697)	(358,878)	(280,429)
Non-current liabilities				
Financial liabilities				
- Borrowings	12	623,120	440,200	466,000
		623,120	440,200	466,000
Current liabilities				
Financial liabilities				
- Current maturities of long-term borrowings	12	-	47,800	-
- Trade Payables	13	206,239	224,182	154,512
- Others	14	776	4,981	3,916
Deferred revenue		40,120	36,169	46,022
Other current liabilities	15	1,154	7,618	4,381
		248,289	320,750	208,831
Total Liabilities		871,409	760,950	674,831
Total Equity and Liabilities		422,712	402,072	394,402

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

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 Indo Teleports Limited

Ravi Prakash Gandhi
Managing Director
DIN: 02803511

Srikanth Balachandran
Director
DIN: 02815932

Mayank Jhanwar

Mayank Jhanwar
Chief Financial Officer
Date: May 25, 2017

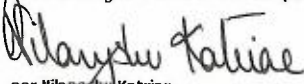
Place: New Delhi

Indo Teleports Limited
Statement of Profit and Loss
(All amounts are in thousands of Indian Rupees; except per share data)

	Notes	For the year ended	
		March 31, 2017	March 31, 2016
Income			
Revenue from operations	17	316,683	284,745
Other income	18	2,782	375
		319,465	285,120
Expenses			
Space segment charges		238,700	235,184
License fee and spectrum charges		6,404	6,562
Employee benefits	19	9,377	8,912
Other expenses	20	69,066	30,567
		323,547	281,225
(Loss)/profit from operating activities before depreciation			
		(4,082)	3,895
Depreciation		31,608	28,859
Finance costs	21	58,818	53,756
Finance income	21	(4,689)	(271)
Loss before tax		(89,819)	(78,449)
Tax expense			
Current tax	22	-	-
Deferred tax	22	-	-
Loss for the year		(89,819)	(78,449)
Other comprehensive gain for the year			
		-	-
Total comprehensive loss for the year		(89,819)	(78,449)
Loss per share (In Rupees) (Face value of Rs. 10/- each)			
Basic	23	(3.91)	(3.41)
Diluted	23	(3.91)	(3.41)

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


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 Indo Teleports Limited


Ravi Prakash Gandhi
Managing Director
DIN: 02803511


Srikanth Balachandran
Director
DIN: 02815932


Mayank Jhanwar
Chief Financial Officer
Date: May 25, 2017

Place: New Delhi

