Company Registration No. 200718118G

Bharti Airtel Holdings (Singapore) Pte. Ltd.

Annual Financial Statements
31 March 2012

ERNST & YOUNG

Bharti Airtel Holdings (Singapore) Pte. Ltd.

General Information

Directors

Alexander Andrew Kelton (Appointed on June 30, 2011)
Lim Puay Chong Vincent
Narender Gupta
Jantina Van De Vreede

Secretary

Lim Puay Chong Vincent

Registered Office

150 Orchard Road
#08-01 Orchard Plaza
Singapore 238841

Auditors

Ernst & Young LLP

Index

Bharti Airtel Holdings (Singapore) Pte. Ltd.

Directors' Report

The directors are pleased to present their report to the members together with the audited financial statements of Bharti Airtel Holdings (Singapore) Pte. Ltd. (the "Company") for the financial year ended 31 March 2012.

Directors

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

Alexander Andrew Kelton (Appointed on June 30, 2011)

Lim Puay Chong Vincent
Narender Gupta
Jantina Van De Vreede

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares and debentures

The following director, who held office at the end of the financial year, had according to the register of directors' shareholdings required to be kept under section 164 of the Singapore Companies Act, Cap. 50, 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	At the end of financial year
Holding company		
Bharti Airtel Limited		
Ordinary shares		
Narender Gupta	14,954	52,300
Options to purchase ordinary shares		
Narender Gupta	139,200	78,280
Alexander Andrew Kelton	115,000	105,000

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.

Option to take up unissued shares

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

Option exercised

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

Unissued shares under option

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

Directors' contractual benefits

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

Auditors

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

On behalf of the Board of Directors:

Alexander Andrew Kelton
Director

Narender Gupta
Director

3 0 APR 2012

Bharti Airtel Holdings (Singapore) Pte. Ltd.

Statement by Directors

We, David Jeffrey Nishball and Narender Gupta, being two of the directors of Bharti Airtel Holdings (Singapore) Pte. Ltd., do hereby state that, in the opinion of the directors:

(i) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2012 and the results of the business, changes in equity and cash flows of the Company for the financial year ended on that date, and

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

On behalf of the Board of Directors:

Alexander Andrew Kelton
Director

Narender Gupta
Director

30 APR 2012

Bharti Airtel Holdings (Singapore) Pte. Ltd.

Independent Auditors' Report
For the financial year ended 31 March 2012

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

Report on the financial statements

We have audited the accompanying financial statements of Bharti Airtel Holdings (Singapore) Pte. Ltd. (the "Company") set out on pages 6 to 28, which comprise the statement of financial position as at 31 March 2012, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Bharti Airtel Holdings (Singapore) Pte. Ltd.

Independent Auditors' Report
For the financial year ended 31 March 2012

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

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2012 and the results, changes in equity and cash flows of the Company for the year ended on that date.

Report on other legal and regulatory requirements

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

Ernst & Young LLP

Ernst & Young LLP

Public Accountants and
Certified Public Accountants
Singapore

30 APR 2012

Bharti Airtel Holdings (Singapore) Pte. Ltd.

Statement of Comprehensive Income for the financial year ended 31 March 2012

	Notes	2012	2011
		SGD	SGD
Interest income	4	1,845,375	1,818,099
Finance cost		(12,011)	-
Other income	5	248,200	-
Foreign exchange loss		(81,035)	(1,559,945)
Administrative expenses	6	(2,046,806)	(5,758,065)
Loss before tax		(46,277)	(5,499,911)
Income tax	7	827,138	(277,150)
Profit /(Loss) for the financial year		780,861	(5,777,061)
Other comprehensive income / (loss) for the financial year, net of tax		-	-
Total comprehensive income / (loss) for the financial year		780,861	(5,777,061)

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

Bharti Airtel Holdings (Singapore) Pte. Ltd.

Statement of Financial Position as at 31 March 2012

	Notes	2012	2011
		SGD	SGD
Non-current assets			
Investment in subsidiaries	8	428,141,585	423,699,691
Investment in an associate	8	-	1,711,910
Amount due from related companies	10	56,389,552	33,041,073
		484,531,137	458,452,674
Current assets			
Advances for share application allotment	9	-	1,454,091
Amounts due from related companies	10	-	17,792
Cash and cash equivalents	11	1,672,027	314,181
		1,672,027	1,786,064
Current Liabilities			
Other payables and accruals	12	11,728	47,272
Amount due to a related company	10	1,031,418	21,063
Income tax payable		163,301	1,369,104
		1,206,447	1,437,439
Net current assets		465,580	348,625
Non -current Liabilities			
Amount due to a related company	10	25,262,024	-
Deferred tax Liability	7	152,533	-
		25,414,557	-
Total Liabilities		26,621,004	1,437,439
Net assets		459,582,160	458,801,299
Equity attributable to equity holder of the Company			
Share capital	13	471,767,596	471,767,596
Accumulated losses		(12,185,436)	(12,966,297)
Total equity		459,582,160	458,801,299

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

N-L

Bharti Airtel Holdings (Singapore) Pte. Ltd.

Statement of Changes in Equity for the financial year ended 31 March 2012

	Share capital (Note 13)	Accumulated losses	Total
	SGD	SGD	SGD
Balance at 1 April 2010	**465,165,401**	**(7,189,236)**	**457,976,165**
Loss for the financial year	-	(5,777,061)	(5,777,061)
Total comprehensive loss for the financial year	-	(5,777,061)	(5,777,061)
Share capital issued during the financial year	6,602,195	-	6,602,195
Balance at 31 March 2011 and 1 April 2011	**471,767,596**	**(12,966,297)**	**458,801,299**
Profit for the financial year	-	780,861	780,861
Total comprehensive income for the financial year	-	780,861	780,861
Balance at 31 March 2012	**471,767,596**	**(12,185,436)**	**459,582,160**

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

Bharti Airtel Holdings (Singapore) Pte. Ltd.

Cash Flow Statement for the financial year ended 31 March 2012

	Notes	2012	2011
		SGD	SGD
Operating activities			
Loss before tax		(46,277)	(5,499,911)
Adjustment for:			
Finance cost		12,011	-
Interest income	4	(1,845,375)	(1,818,099)
Operating cash flows before changes in working capital		**(1,879,641)**	**(7,318,010)**
Changes in working capital:			
Decrease in other receivables and prepayments		-	326
Decrease in other payables and accruals		(37,104)	(1,051,735)
Increase in amount due to related companies		1,028,146	81,731
Total changes in working capital		**991,042**	**(969,678)**
Cash Flows used in operations		**(888,599)**	**(8,287,688)**
Interest received		1,835,205	1,983,891
Income Tax Paid		(226,132)	(104,061)
Net cash flows from / (used in) operating activities		**720,474**	**(6,407,858)**
Investing activitities			
Investment in associate and subsidiary companies		(1,275,893)	(946,190)
Loans to related companies		(23,338,308)	(8,763,529)
Advances for share application allotment		-	(487,730)
Net cash flows used in investing activities		**(24,614,201)**	**(10,197,449)**
Financing activities			
Proceeds from issuance of shares		-	6,602,195
Loan from a related company		25,250,000	-
Net cash flows from financing activities		**25,250,000**	**6,602,195**
Net increase / (decrease) in cash and cash equivalents		**1,356,273**	**(10,003,112)**
Effect of exchange rate changes on cash and cash equivalents		1,573	(555,405)
Cash and cash equivalents at beginning of the financial year		314,181	10,872,698
Cash and cash equivalents at end of the financial year	11	**1,672,027**	**314,181**

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

Nk

1. Corporate information

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

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

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

2. Summary of significant accounting policies

2.1 *Basis of preparation*

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

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD), the functional currency of the Company.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except that during the current financial year, the Company has adopted all the new and revised standards and Interpretations of FRS (INT FRS) that are effective for annual periods beginning on or after 1 April 2011. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Company.

(The space has been intentionally left blank)

2.3 ***Standards issued but not yet effective***

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

S. No.	Standards/ Interpretations/ Amendments	Effective date - annual periods beginning on or after
1	Amendments to FRS 107 - Financial Instruments: Disclosures	July 1, 2011
2	Amendments to FRS 101 - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	July 1, 2011
3	Amendments to FRS 12 Deferred Tax - Recovery of Underlying Assets	January 1, 2012
4	Amendments to FRS 1 - Presentation of Financial Statements	July 1, 2012
5	Revised FRS 19 - Employee Benefits	January 1, 2013
6	Revised FRS 27 - Separate Financial Statements	January 1, 2013
7	Revised FRS 28 - Investment in Associates and Joint Ventures	January 1, 2013
8	Amendments to FRS 107 - Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities	January 1, 2013
9	FRS 110 - Consolidated Financial Statements	January 1, 2013
10	FRS 111 - Joint Arrangements	January 1, 2013
11	FRS 112 - Disclosure of Interest in Other Entities	January 1, 2013
12	FRS 113 - Fair Value Measurement	January 1, 2013
13	FRS 32 Offsetting Financial Assets and Financial Liabilities	January 1, 2014

The Company is currently evaluating the requirements of the above standards and interpretations, however, the Company expects that these will have no material impact on the financial statements.

2.4 ***Basis of consolidation and subsidiary companies***

A subsidiary company is an entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities.

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

These financial statements are the separate financial statements of the Company. The Company is exempted by FRS 27 from preparing consolidated financial statements as the Company is a wholly-owned subsidiary of Bharti Airtel Limited, a company incorporated in India, which is also the ultimate holding company. Bharti Airtel Limited prepares consolidated financial statements available for public use and these can be obtained at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi, India.

2.5 ***Functional and foreign currency***

(a) *Functional currency*

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

(b) *Transactions and balances*

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.6 ***Financial assets***

Initial recognition and measurement

Financial assets are recognised on the balance sheet 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.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

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

Loans and receivables

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

The Company classifies the following financial assets as loans and receivables:

- cash and cash equivalents
- other receivables, including amounts due from related companies

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.

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.

HL

2.7 *Impairment of financial assets*

The Company assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

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

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the 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 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.

2.8 *Cash and cash equivalents*

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

2.9 *Provisions*

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

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

2.10 *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised on the balance sheet 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.

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities, plus directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

Other financial liabilities

After initial recognition, other financial liabilities 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.

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.

2.11 *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. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates, and sales taxes or duty. The Company assesses its revenue arrangements to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

Interest income is recognised using the effective interest method.

2.12 *Income taxes*

(a) *Current 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 by the end of the reporting period, in the countries where the Company operates and generates taxable income.

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

(b) *Deferred tax*

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

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, 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 period 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 income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Income tax relating to items directly in equity is recognised in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.13 *Associate*

An associate is a company, not being a subsidiary or joint venture, in which the company has a substantial interest of not less than 20% of the equity and in whose financial and operation policy decisions the company exercise significant influence over, or has representation on the Board of Directors.

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

In accordance with FRS 27, the company has elected not to apply the equity method for recognising its interest in the associate since the company is a wholly owned subsidiary of Bharti Airtel Limited, a company incorporated in India. The ultimate holding company prepares consolidated financial statements and these can be obtained at Aravali Cresent, 1, Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi.

2.14 ***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 such indication exists, or when an annual impairment assessment 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 to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

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

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the 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 the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss

2.15 *Related Parties*

A related party is defined as follows:.

(a) A person or a close member of that person's family is related to the Company if that person:

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies :

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 *Judgements made in applying accounting policies*

In the process of applying the Company's accounting policies, 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:

Impairment Reviews

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

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

Income taxes

Judgement is involved in determining the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and any deferred tax provisions in the period in which such determination is made. The carrying amount of the Company's income tax payable and deferred tax liability at the end of the reporting period was SGD 163,301 (2011: SGD 1,369,104) and SGD 152,533 (2011: SGD Nil) respectively.

4. Interest income

	2012	2011
	SGD	SGD
Interest income from:		
Loans to related companies	1,845,203	1,801,225
Fixed deposits with banks	172	16,874
	1,845,375	1,818,099

5. Other income

During the current year, the company received an insurance claim refund of SGD 248,200 (2011 : Nil)

6. Administrative expenses

	2012	2011
	SGD	SGD
Legal & professional charges	1,203,391	5,753,824
Director's Fees	6,000	-
Bank charges	2,765	4,241
Allowance for doubtful debts (refer note 10)	809,047	-
Others	25,603	-
	2,046,806	5,758,065

The legal & professional charges in FY 2011-12 and 2010-11 were incurred in connection with the acquisition of Airtel Bangladesh Limited (erstwhile known as Warid Telecom International Ltd).

7. Income tax

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

	2012	2011
	SGD	SGD
Current income tax	(979,671)	277,150
Deferred tax	152,533	-
Tax (credit) / expense	**(827,138)**	**277,150**

The above current income tax includes credit of SGD 1,143,265 and deferred tax includes charge of SGD 137,919 pertaining to previous years.

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

Profit /(Loss) before tax	(46,277)	(5,499,911)
Tax expense/(credit) at statutory tax rate of 17% (2011:17%)	(7,867)	(934,985)
Adjustments:		
Non-deductible expenses	171,434	1,238,060
Effect of partial tax exemption	(25,925)	(25,925)
Adjustment in respect to current income tax of previous years	(1,143,265)	-
Deferred tax recognized in respect of previous years	137,919	-
Others	40,566	-
Income tax (credit) / expense recognised in statement of Comprehensive Income	**(827,138)**	**277,150**

Deferred tax liability as at 31 March relates to the following:

	2012	2011
	SGD	SGD
Income taxable on receipt basis	(290,071)	-
Allowance against doubtful receivable	137,538	-
Deferred tax liability	**(152,533)**	-

Nt

8. Investment in subsidiaries and associate

	2012 SGD	2011 SGD
Investment in subsidiaries, at cost	428,141,585	423,699,691
Investment in associate, at cost	-	1,711,910

During the year, the Company has increased its shareholding in Bharti Airtel (UK) Ltd from 38.07% to 62.97%. Accordingly, the investment has been classified from investment in associate to investment in subsidiary.

Name	Country of incorporation	Principal Activities	Proportion (%) of ownership interest 2012	2011
Investment in subsidiaries:				
Airtel Bangladesh Limited (formerly Warid Telecom International Ltd)	Bangladesh	Telecom Services	70.00%	70.00%
Bharti 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.	U.K	Telecom Services	62.97%	-
Investment in associate:				
Bharti Airtel (UK) Ltd.	U.K	Telecom Services	-	38.07%

The ultimate holding company provides financial support to the subsidiaries and associate of the Company.

9. Advances for share application allotment

	2012 SGD	2011 SGD
Advances for share application allotment	-	**1,454,091**

Advances for share application allotment as at March 31, 2011, represents advance for investment in a related company - Bharti Airtel (UK) Ltd. During the current year, shares of Bharti Airtel (UK) Ltd have been allotted (refer note 8).

10. Amounts due from / (to) related companies and amount due from subsidiaries

	2012	2011
	SGD	SGD
Amounts due from related companies (non-current)		
Loans	54,769,506	31,431,197
Interest receivable	1,620,046	1,609,876
	56,389,552	33,041,073
Amounts due from related companies (current)	-	17,792
	-	17,792
Amount due to a related company (non-current)		
Loan	25,250,000	-
Interest payable	12,024	-
	25,262,024	-
Amount due to a related company (current)	1,031,418	21,063
	1,031,418	21,063

The amount due from a related company (non-current), Bharti Airtel (Canada) Limited, amounting to SGD 809,047 has been fully provided for as the related company has discontinued its operations in June 2011.

The loans to / by related companies are unsecured, bear interest at the rate of 1.99% to 7.33% (2011:2.54% to 7.33%) per annum, and are repayable between 1-5 years. The amount is expected to be settled in cash.

Amount due to a related company (current) is unsecured, interest-free and repayable on demand. The amount is expected to be settled in cash.

Amounts due from related companies denominated in foreign currencies at 31 March are as follows:

	2012	2011
	SGD	SGD
Hong Kong Dollar	8,586,624	6,177,142
Great Britain Pound	4,754,172	3,193,466
Canadian Dollar	-	781,397
United States Dollar	37,901,177	-
JPY	290,255	15,965
EURO	-	1,827

Amounts due to related companies denominated in foreign currencies at 31 March are as follows:

United States Dollar	25,262,024	-
INR	264,222	-

11. Cash and cash equivalents

	2012	2011
	SGD	SGD
Cash at bank and in hand	1,672,027	314,181

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

	2012	2011
	SGD	SGD
United States Dollar	1,672,027	314,181

12. Other payables and accruals

	2012	2011
	SGD	SGD
Accrual for expenses	10,997	46,456
Other payables	731	816
	11,728	47,272

13. Share capital

	2012		2011	
	No. of shares	SGD	No. of shares	SGD
Issued and fully paid:				
At 1 April and 31 March	338,642,772	471,767,596	333,642,772	465,165,401
Share issued during the year	-	-	5,000,000	6,602,195
At 31 March	338,642,772	471,767,596	338,642,772	471,767,596

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 with restrictions. The ordinary shares have no par value.

14. Related party transactions

In addition to the transactions and balances set out elsewhere in the financials statement, the Company had the following transactions with related parties during the year:

Relationship	Holding company	Subsidiary companies
Loans to related companies	-	23,338,309
Loan from a related company	-	(25,250,000)
Interest income on loans	-	1,845,203
Interest expense on loan	-	(12,024)
Investment in associate and subsidiary companies	-	1,275,893
Expense incurred by related company	(264,222)	-

Compensation of key management personnel

	2012	2011
	SGD	SGD
Professional fees paid to directors	6000	-

There were no significant transactions between the Company and related parties that took place during the financial year ended March 31, 2011.

15. 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 cash and cash equivalents and other payables & accruals reasonably approximate their fair values because these are short term in nature and repriced regularly. Amounts due to/from related companies, approximate their fair value as the interest rates charged to /by related companies are approximately equivalent to interest rate prevailing in the market.

(The space has been intentionally left blank)

Nt

	Loans and receivables SGD	Liabilities at amortised cost SGD	Total SGD
As at 31 March 2012			
Assets			
Amounts due from related companies	56,389,552	-	56,389,552
Cash and cash equivalents	1,672,027	-	1,672,027
	58,061,579	-	58,061,579
Liabilities			
Amounts due to related companies	-	26,293,442	26,293,442
Other payable and accruals	-	11,728	11,728
	-	26,305,170	26,305,170
As at 31 March 2011			
Assets			
Amounts due from related companies	33,058,865	-	33,058,865
Cash and cash equivalents	314,181	-	314,181
	33,373,046	-	33,373,046
Liabilities			
Amounts due to related companies	-	21,063	21,063
Other payable and accruals	-	47,272	47,272
	-	68,335	68,335

16. 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 of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from cash and cash equivalents, other receivables and amounts 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. 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 the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

The Company has no major concentration of credit risk other than the amount due from related companies except as disclosed in note 10.

Cash and cash equivalents are placed with reputable financial institutions.

(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 funding.

Analysis of financial instruments by remaining contractual activities

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

	Less than 1 year	1-5 years	More than 5 years	Total
	SGD	SGD	SGD	SGD
2012				
Financial Assets				
Amounts due from related companies	-	56,389,552	-	56,389,552
Cash and cash equivalents	1,672,027	-	-	1,672,027
Total undiscounted financial assets	1,672,027	56,389,552	-	58,061,579
Financial Liabilities				
Other payable and accruals	11,728	-	-	11,728
Amounts due to related companies	1,031,418	25,262,024	-	26,293,442
Total undiscounted financial liabilities	1,043,146	25,262,024	-	26,305,170
Total net undiscounted financial assets	628,881	31,127,528	-	31,756,409

2011				
Financial Assets				
Amounts due from related companies	17,792	-	33,041,073	33,058,865
Cash and cash equivalents	314,181	-	-	314,181
Total undiscounted financial assets	**331,973**	-	**33,041,073**	**33,373,046**
Financial Liabilities				
Other payable and accruals	47,272	-	-	47,272
Amounts due to related companies	21,063	-	-	21,063
Total undiscounted financial liabilities	**68,335**	-	-	**68,335**
Total net undiscounted financial assets	**263,638**	-	**33,041,073**	**33,304,711**

(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 fluctuation in interest rates is not significant, as it relates primarily to its debt obligation with related parties most of which bears fixed interest rate.

(d) ***Foreign exchange risk***

The foreign exchange risk of the Company arises from the generation of revenue and expenses incurred in foreign currencies.

The Company has transactional currency exposures arising from loans to related companies that are denominated in a currency other than the functional currency.

The Company holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances (mainly in USD) amount to SGD 1,672,027 (2011: SGD 314,181) (refer note 11).

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Company's profit net of tax to a reasonably possible change in the exchange rates against the functional currency of the Company, with all other variables held constant.

(The space has been intentionally left blank)

	Change in currency exchange rate	Effect on profit /(loss) before tax	
		2012	2011
United State Dollar	+5%	715,559	15,709
	-5%	(715,559)	(15,709)
Hong Kong Dollar	+5%	429,331	308,857
	-5%	(429,331)	(308,857)
Great Britain Pound	+5%	237,709	159,687
	-5%	(237,709)	(159,687)
Canadian Dollar	+5%	-	39,070
	-5%	-	(39,070)
JPY	+5%	14,513	-
	-5%	(14,513)	-

(The space has been intentionally left blank)

17. 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 considers its equity as capital and manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 March 2012 and 31 March 2011.

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.

	2012	2011
	SGD	SGD
Interest Bearing Loans	25,250,000	-
Less: Cash and Cash Equivalents	1,672,027	314,181
Net Debt	**23,577,973**	**(314,181)**
Equity	459,582,160	458,801,299
Total Capital	**459,582,160**	**458,801,299**
Capital and Net Debt	**483,160,133**	**458,487,118**
Gearing Ratio	**4.9%**	**-0.1%**

18. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2012 were authorised for issue in accordance with a resolution of the directors on 30 April, 2012.

19. Regrouping / reclassification

The figures for the previous year have been regrouped / reclassified, wherever required to confirm to the current year's presentation. These do not affect previously reported net loss or shareholders' equity.