Company Registration No. 200705480E

Bharti Airtel (Singapore) Private Limited

Annual Financial Statements
31 March 2010
Bharti Airtel (Singapore) Private Limited

General Information

Directors
Manoj Kohli
N. Arjun
Lim Puay Chong Vincent

Secretary
Lim Puay Chong Vincent

Registered Office
150 Orchard Road
#06-01 Orchard Plaza
Singapore 238841

Auditors
Ernst & Young LLP

Bankers
Bank of America

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Bharti Airtel (Singapore) Private Limited

Directors’ Report

The directors are pleased to present their report to the members together with the audited financial statements of Bharti Airtel (Singapore) Private Limited (the “Company”) for the financial year ended 31 March 2010.

Directors

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

Manoj Kohli
N. Arjun
Lim Puay Chong Vincent

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 object 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 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, an interest in shares and share options of the Company’s holding company as stated below:

<table>
<thead>
<tr>
<th>Name of director</th>
<th>At the beginning of financial year</th>
<th>At the end of financial year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holding company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bharti Airtel Limited</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manoj Kohli</td>
<td>–</td>
<td>262,500</td>
</tr>
<tr>
<td>N. Arjun</td>
<td>–</td>
<td>334,508</td>
</tr>
<tr>
<td>Options to purchase ordinary shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manoj Kohli</td>
<td>355,000</td>
<td>198,900</td>
</tr>
<tr>
<td>N. Arjun</td>
<td>306,634</td>
<td>109,600</td>
</tr>
</tbody>
</table>

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 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' Report

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial period, 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:

Manoj Kohli
Director

N. Arjun
Director

New Delhi
26 April, 2010
We, Manoj Kohli and N. Arjun, being two of the directors of Bharti Airtel (Singapore) Private Limited, do hereby state that, in the opinion of the directors:

(i) the accompanying balance sheet, 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 2010 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 the ultimate holding company has agreed to provide financial support to enable the Company to meet its financial obligations as and when they fall due.

On behalf of the Board of Directors:

Manoj Kohli
Director

N. Arjun
Director

New Delhi
26 April, 2010
Bharti Airtel (Singapore) Private Limited

Independent Auditors' Report
For the financial year ended 31 March 2010

To the Member of Bharti Airtel (Singapore) Private Limited

We have audited the accompanying financial statements of Bharti Airtel (Singapore) Private Limited (the "Company"), which comprise the balance sheet as at 31 March 2010, 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 notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes 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 profit and loss account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 and fair presentation of the financial statements 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 (Singapore) Private Limited

Independent Auditors’ Report
For the financial year ended 31 March 2010

To the Member of Bharti Airtel (Singapore) Private Limited

Opinion

In our opinion,

(i) 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 2010 and the results, changes in equity and cash flows of the Company for the financial year ended on that date; and

(ii) 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
Public Accountants and
Certified Public Accountants
Singapore
26 April, 2010
Bharti Airtel (Singapore) Private Limited

Statement of Comprehensive income for the financial year ended 31 March 2010

<table>
<thead>
<tr>
<th>Note</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Revenue</td>
<td>4</td>
<td>20,516,470</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>5</td>
<td>(10,217,284)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10,299,186</td>
</tr>
<tr>
<td>Other Income</td>
<td></td>
<td>62,766</td>
</tr>
<tr>
<td>Other items of expense and income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling and marketing expenses</td>
<td>6</td>
<td>17,653</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>6</td>
<td>914,327</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>7</td>
<td>5,305,462</td>
</tr>
<tr>
<td>Finance expenses</td>
<td>8</td>
<td>1,271,259</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(7,508,701)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td></td>
<td>2,853,251</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>9</td>
<td>(592,837)</td>
</tr>
<tr>
<td>Profit for the financial year</td>
<td></td>
<td>2,260,414</td>
</tr>
<tr>
<td>Other comprehensive income for the year, net of tax</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td>2,260,414</td>
</tr>
</tbody>
</table>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.
### Bharti Airtel (Singapore) Private Limited

**Balance Sheet as at 31 March 2010**

<table>
<thead>
<tr>
<th>Note</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>10 89,402,964</td>
<td>32,240,557</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>11 3,578,772</td>
<td>888,830</td>
</tr>
<tr>
<td></td>
<td><strong>92,981,756</strong></td>
<td><strong>33,129,387</strong></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>12 2,503,350</td>
<td>2,302,560</td>
</tr>
<tr>
<td>Other receivables</td>
<td></td>
<td>162,115</td>
</tr>
<tr>
<td>Tax recoverable</td>
<td></td>
<td>306,490</td>
</tr>
<tr>
<td>Prepayments</td>
<td></td>
<td>456,488</td>
</tr>
<tr>
<td>Inventories</td>
<td></td>
<td>7,597</td>
</tr>
<tr>
<td>Amount due from related companies</td>
<td>13 89,287,481</td>
<td>28,247,098</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>14 195,506</td>
<td>757,064</td>
</tr>
<tr>
<td></td>
<td><strong>92,919,027</strong></td>
<td><strong>31,833,886</strong></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount due to related companies</td>
<td>13 78,518,459</td>
<td>27,295,830</td>
</tr>
<tr>
<td>Advance revenue</td>
<td>15 88,208,205</td>
<td>27,192,615</td>
</tr>
<tr>
<td>Other payables and accruals</td>
<td>16 2,089,088</td>
<td>520,669</td>
</tr>
<tr>
<td>Income tax payable</td>
<td></td>
<td>182,312</td>
</tr>
<tr>
<td></td>
<td><strong>168,998,064</strong></td>
<td><strong>55,064,287</strong></td>
</tr>
<tr>
<td><strong>Net current liabilities</strong></td>
<td>(76,079,037)</td>
<td>(23,230,401)</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan from a related company</td>
<td>17 12,830,754</td>
<td>8,530,636</td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td>18 680,179</td>
<td>236,978</td>
</tr>
<tr>
<td></td>
<td><strong>13,510,933</strong></td>
<td><strong>8,767,614</strong></td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>3,391,786</strong></td>
<td><strong>1,131,372</strong></td>
</tr>
<tr>
<td><strong>Equity attributable to equity holders of the Company</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>19 499,236</td>
<td>499,236</td>
</tr>
<tr>
<td>Accumulated profit</td>
<td></td>
<td>2,892,550</td>
</tr>
<tr>
<td>Total equity</td>
<td></td>
<td><strong>3,391,786</strong></td>
</tr>
</tbody>
</table>

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*
<table>
<thead>
<tr>
<th>Shares</th>
<th>Share application</th>
<th>Accumulated (losses)/Profit</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>capital (Note 19)</td>
<td>money pending allotment</td>
<td></td>
</tr>
<tr>
<td>US$</td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Balance at 31 March 2008</td>
<td>-</td>
<td>499,236</td>
<td>(275,586)</td>
</tr>
<tr>
<td>Issuance of shares</td>
<td>499,236</td>
<td>(499,236)</td>
<td>-</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>-</td>
<td>-</td>
<td>907,722</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>-</td>
<td>-</td>
<td>907,722</td>
</tr>
<tr>
<td>Balance at 31 March 2009 and 1 April 2009</td>
<td>499,236</td>
<td>-</td>
<td>632,136</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>-</td>
<td>-</td>
<td>2,260,414</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>-</td>
<td>-</td>
<td>2,260,414</td>
</tr>
<tr>
<td>Balance at 31 March 2010</td>
<td>499,235</td>
<td>-</td>
<td>2,892,550</td>
</tr>
</tbody>
</table>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.
Bharti Airtel (Singapore) Private Limited

Cash Flow Statement for the financial year ended 31 March 2010

<table>
<thead>
<tr>
<th>Note</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Prof before tax</td>
<td>2,853,251</td>
<td>1,199,873</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation of intangible assets</td>
<td>4,849,665</td>
<td>1,055,348</td>
</tr>
<tr>
<td>Depreciation of plant and equipment</td>
<td>265,353</td>
<td>76,602</td>
</tr>
<tr>
<td>Unrealised exchange loss</td>
<td>1,700,942</td>
<td>541,177</td>
</tr>
<tr>
<td>Other income</td>
<td>(62,768)</td>
<td>-</td>
</tr>
<tr>
<td>Interest expense</td>
<td>758,354</td>
<td>238,222</td>
</tr>
<tr>
<td>Total adjustments</td>
<td>7,511,548</td>
<td>1,911,349</td>
</tr>
<tr>
<td>Operating cash flows before changes in working capital</td>
<td>10,364,799</td>
<td>3,111,222</td>
</tr>
<tr>
<td>Changes in working capital:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in trade and other receivables</td>
<td>(509,397)</td>
<td>(2,431,257)</td>
</tr>
<tr>
<td>Increase in prepayments</td>
<td>(89,321)</td>
<td>(294,340)</td>
</tr>
<tr>
<td>Increase in inventory</td>
<td>(7,597)</td>
<td>(27,346,273)</td>
</tr>
<tr>
<td>Increase in amount due from related companies</td>
<td>(69,732,309)</td>
<td>(27,119,099)</td>
</tr>
<tr>
<td>Increase in other payables, accruals and advance revenue</td>
<td>62,046,577</td>
<td></td>
</tr>
<tr>
<td>Total changes in working capital</td>
<td>7,691,947</td>
<td>2,952,771</td>
</tr>
<tr>
<td>Cash flows from operations</td>
<td>2,672,852</td>
<td>158,451</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(22,498)</td>
<td>(238,222)</td>
</tr>
<tr>
<td>Tax paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash flows generated from operating activities</td>
<td>2,650,354</td>
<td>(79,771)</td>
</tr>
</tbody>
</table>

| Cash flows from investing activities | | |
| Purchase of plant and equipment | (2,055,295) | (473,658) |
| Purchase of intangible assets | (3,798,479) | (7,435,389) |
| Net cash flows used in investing activities | (6,753,774) | (7,909,047) |

| Cash flows from financing activities | | |
| Proceeds from loan from a related company | 3,541,763 | 8,530,636 |
| Interest received | | |
| Net cash flows generated from financing activities | 3,541,862 | 8,530,636 |

| Net increase in cash and cash equivalents | (561,558) | 541,818 |
| Cash and cash equivalents at beginning of year | 757,064 | 215,246 |
| Cash and cash equivalents at end of financial year | 195,506 | 757,064 |

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

Bharti Airtel (Singapore) Private Limited (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. Related companies in these financial statements refer to members of the Bharti Airtel group of companies.

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 that of providing international calling services in Singapore. The Company has installed telecommunication equipment to have a point of presence (POP) in Singapore to provide for telecommunication services.

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 United State Dollars (US$), the functional currency of the Company.

As at 31 March 2010, the Company's current liabilities exceeded its current assets by US$76,079,037 (2009: US$23,230,401). The financial statements of the Company have been prepared on a going concern basis because the ultimate holding company has undertaken to provide continuing financial support to the Company so as to enable it to meet its liabilities as and when they fall due.

2.2 Changes in accounting policies

(i) Adoption of new and revised FRS

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 April 2009, the Company adopted the following standards and interpretations mandatory for annual financial periods beginning on or after 1 January 2009.

- FRS 1 Presentation of Financial Statements (Revised)
- Amendments to FRS 18 Revenue
- Amendments to FRS 23 Borrowing Costs
- Amendments to FRS 32 Financial Instruments: Presentation and FRS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
2.2 Changes in accounting policies (cont’d)

- Amendments to FRS 101 First-time Adoption of Financial Reporting Standards and FRS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 102 Share-based Payment – Vesting Conditions and Cancellations
- Amendments to FRS 107 Financial Instruments: Disclosures
- FRS 108 Operating Segments
- Improvements to FRSs issued in 2008
- INT FRS 113 Customer Loyalty Programmes
- INT FRS 116 Hedges of a Net Investment in a Foreign Operation
- INT FRS 118 Transfers of Assets from Customers

Adoption of these standards and interpretations did not have any effect on the financial performance or position of the Company. They did however give rise to additional disclosures, including, in some cases, revisions to accounting policies.

The principal effects of these changes are as follows:

FRS 1 Presentation of Financial Statements – Revised Presentation

The revised FRS 1 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of other comprehensive income. In addition, the Standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. The Company has elected to present this statement as one single statement.

Amendments to FRS 107 Financial Instruments: Disclosures

The amendments to FRS 107 require additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. In addition, reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well as significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures. The fair value measurement disclosures and liquidity risk disclosures are presented in Note 20 and Note 21 to the financial statements respectively.
2.2 Changes in accounting policies (cont’d)

Improvements to FRSs issued in 2008

In 2008, the Accounting Standards Council issued an omnibus of amendments to FRS. There are separate transitional provisions for each amendment. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Company:

- FRS 1 Presentation of Financial Statements: Assets and liabilities classified as held for trading in accordance with FRS 39 Financial Instruments: Recognition and Measurement are not automatically classified as current in the balance sheet. The Company amended its accounting policy accordingly and analysed whether Management’s expectation of the period of realisation of financial assets and liabilities differed from the classification of the instrument. This did not result in any re-classification of financial instruments between current and non-current in the balance sheet.

- FRS 16 Property, Plant and Equipment: Replaces the term "net selling price" with "fair value less costs to sell". The Company amended its accounting policy accordingly, which did not result in any change in the financial position.

(ii) Future changes in accounting policies

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Effective for annual periods beginning on or after</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amendments to FRS 27 Consolidated and Separate Financial Statements</td>
<td>1 July 2009</td>
</tr>
<tr>
<td>Amendments to FRS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Item</td>
<td>1 July 2009</td>
</tr>
<tr>
<td>Revised FRS 103 Business Combinations</td>
<td>1 July 2009</td>
</tr>
<tr>
<td>Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations</td>
<td>1 July 2009</td>
</tr>
<tr>
<td>INT FRS 117 Distributions of Non-cash Assets to Owners</td>
<td>1 July 2009</td>
</tr>
<tr>
<td>Improvements to FRSs issued in 2009:</td>
<td></td>
</tr>
<tr>
<td>- Amendments to FRS 38 Intangible Assets</td>
<td>1 July 2009</td>
</tr>
<tr>
<td>- Amendments to FRS 102 Share-based Payment</td>
<td>1 July 2009</td>
</tr>
<tr>
<td>- Amendments to FRS 108 Operating Segments</td>
<td>1 July 2009</td>
</tr>
<tr>
<td>- Amendments to INT FRS 109 Reassessment of Embedded Derivatives</td>
<td>1 July 2009</td>
</tr>
<tr>
<td>- Amendments to INT FRS 116 Hedges of a Net Investment in a Foreign Operation</td>
<td>1 July 2009</td>
</tr>
<tr>
<td>- Amendments to FRS 1 Presentation of Financial Statements</td>
<td>1 January 2010</td>
</tr>
</tbody>
</table>
2.2 Changes in accounting policies (cont’d)

| Description                                                                 | Effective for annual periods beginning on or after |
|                                                                            |                                                     |
| Amendments to FRS 7 Statement of Cash Flows                                 | 1 January 2010                                     |
| Amendments to FRS 17 Leases                                                | 1 January 2010                                     |
| Amendments to FRS 36 Impairment of Assets                                  | 1 January 2010                                     |
| FRS 39 Financial Instruments: Recognition and Measurement                  | 1 January 2010                                     |
| Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations | 1 January 2010                                     |
| Amendments to FRS 108 Operating Segments                                   | 1 January 2010                                     |

Except for the revised FRS 103 and the amendments to FRS 27, the directors expect that the adoption of the other standards and interpretations 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 the revised FRS 103 and the amendments to FRS 27 are described below.

**Revised FRS 103 Business Combinations and Amendments to FRS 27 Consolidated and Separate Financial Statements**

The revised standards are effective for annual periods beginning on or after 1 July 2009. The revised FRS 103 introduces a number of changes in the accounting for business combinations occurring after 1 July 2009. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 27 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to FRS 7 Statement of Cash Flows, FRS 12 Income Taxes, FRS 21 The Effects of Changes in Foreign Exchange Rates, FRS 28 Investments in Associates and FRS 31 Interests in Joint Ventures. The changes from revised FRS 103 and Amendments to FRS 27 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early applied. However, the Company does not intend to early adopt.
2.3 **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 dollars.

Prior to 1 April 2009, the functional currency of the Company was Singapore Dollars. The directors undertook a review of the functional currency during the year due to the recent and expected changes to the underlying transactions, events and conditions relevant to the business of the company. The review indicated that the currency of the primary economic environment in which the entity now operates is United States Dollars. Accordingly, the functional currency was changed to the United States Dollars with effect from 1 April 2009. The effect of this change has been accounted for prospectively from 1 April 2009. The comparative figures have been re-measured to be consistent with current year’s presentation.

**Foreign currency transactions**

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 balance sheet 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 determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the statement of comprehensive income.

2.4 **Plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and impairment loss. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the assets to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repair are charged to the statement of comprehensive income. When assets are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in the statement of comprehensive income.

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 the assets as follows:

- Machinery equipment: 10 years

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 to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.
Bharti Airtel (Singapore) Private Limited

Notes to the Financial Statements – 31 March 2010

Plant and equipment (cont’d)

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 arising on derecognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

2.5 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at each financial year-end.

Bandwidth

Bandwidth was acquired separately and is amortised on a straight line basis over its useful life of 15 years.

2.6 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, 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 or groups of assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognised in the statement of comprehensive income as ‘impairment losses’.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses recognised for an asset other than goodwill may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. 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 increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversal of an impairment loss is recognised in the statement of comprehensive income. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset’s revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.
2.7 **Financial assets**

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.

When financial assets are recognised initially, they are measured at fair value.

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the statement of comprehensive income.

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, such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the statement of comprehensive income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

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

- cash and cash equivalents;
- trade and other receivables including amount due from related companies.

2.8 **Cash and cash equivalents**

Cash and cash equivalents comprise of bank balances which are subject to an insignificant risks of changes in value.

2.9 **Impairment of financial assets**

The Company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been 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. The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss is recognised in the statement of comprehensive income.

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.
2.9 **Impairment of financial assets (cont'd)**

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 the statement of comprehensive income.

2.10 **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 each balance sheet date 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.

2.11 **Financial liabilities**

Financial liabilities include other payables and accruals and amounts due to related companies. 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. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

2.12 **Leases**

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.13 **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.

Revenue from calling card services is recognised on completion of provision of services and is net of discounts and waivers. Revenue billed or received in advance of provision of services are recorded as advance revenue in the balance sheet.

Revenue, net of discounts, from sale of goods is recognised on transfer of all significant risks and rewards to the customer and when no significant uncertainty exists regarding realisation of consideration.
Bharti Airtel (Singapore) Private Limited

Interest income is recognised using the effective interest method.

Notes to the Financial Statements – 31 March 2010

2.14 Income taxes

(i) Current tax

Current 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 balance sheet date.

Current 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.

(ii) Deferred tax

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

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

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

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income 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 except:

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

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.
2.14  *Income taxes (cont'd)*

The carrying amount of deferred tax asset is reviewed at each balance sheet 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 balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

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 balance sheet date.

Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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

(iii)  *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.

3.  *Significant accounting judgements and estimates*

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and disclosures made. However, uncertainty about these assumptions and estimates could result in outcomes that could require material adjustment to the carrying amount of the asset or liability affected in the future.
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:

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 recognise 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 liability at the balance sheet date was US$182,312 (2009: US$55,173) and US$680,179 (2009: US$236,978) respectively.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet 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 discussed below.

(i) Depreciation of plant and equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these plant and equipment to be 10 years. The carrying amount of the Company’s plant and equipment at 31 March 2010 was US$3,578,772 (2009: US$888,830). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Amortisation of intangible assets

Intangible assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of the bandwidth to be 15 years. The carrying amount of the Company’s intangible assets as at 31 March 2010 was US$9,402,984 (2009: US$32,240,557). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future amortization charges could be revised.
### 4. Revenue

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Service revenue</td>
<td>18,795,237</td>
<td>6,162,994</td>
</tr>
<tr>
<td>Sale of goods</td>
<td>1,721,233</td>
<td>189,547</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>20,516,470</td>
<td>6,332,541</td>
</tr>
</tbody>
</table>

### 5. Cost of sales

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Network expenses</td>
<td>8,567,160</td>
<td>2,719,008</td>
</tr>
<tr>
<td>Cost of equipment sales</td>
<td>1,650,124</td>
<td>127,534</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,217,284</td>
<td>2,846,542</td>
</tr>
</tbody>
</table>

### 6. General and administrative expenses

General and administrative expenses includes staff cost and Central Provident Fund contributions of US$ 340,615 (2009 : Nil) and $8,015 (2009 : Nil) respectively.

### 7. Other operating expenses

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Amortisation of intangible assets</td>
<td>4,849,665</td>
<td>1,055,348</td>
</tr>
<tr>
<td>Depreciation of plant and equipment</td>
<td>205,353</td>
<td>78,602</td>
</tr>
<tr>
<td>Licence fees</td>
<td>190,444</td>
<td>66,510</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,305,462</td>
<td>1,198,460</td>
</tr>
</tbody>
</table>

### 8. Finance expenses

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Interest expenses to a related company</td>
<td>758,354</td>
<td>238,222</td>
</tr>
<tr>
<td>Foreign exchange loss</td>
<td>512,821</td>
<td>541,177</td>
</tr>
<tr>
<td>Bank charges</td>
<td>84</td>
<td>7,827</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,271,259</td>
<td>787,226</td>
</tr>
</tbody>
</table>
9. Income tax

The major components of income tax expense for the period/year ended 31 March are:

<table>
<thead>
<tr>
<th>Note</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current income tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Profit for the year</td>
<td>149,636</td>
<td>55,173</td>
</tr>
<tr>
<td>Deferred income tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Origination and reversal of temporary differences</td>
<td>443,201</td>
<td>236,978</td>
</tr>
<tr>
<td>Income tax expense recognised in the statement of comprehensive income</td>
<td>592,837</td>
<td>292,151</td>
</tr>
</tbody>
</table>

A reconciliation between the tax expense and the product of accounting profit multiplied by the Singapore statutory tax rate for the financial year ended 31 March was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before tax</td>
<td>2,853,251</td>
<td>1,199,873</td>
</tr>
<tr>
<td>Tax at statutory tax rate of 17% (2009: 17%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustment:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-deductible expenses</td>
<td>124,984</td>
<td>108,845</td>
</tr>
<tr>
<td>Effect of partial tax exemption and tax relief</td>
<td>(17,200)</td>
<td>(17,200)</td>
</tr>
<tr>
<td>Others</td>
<td>-</td>
<td>(3,472)</td>
</tr>
<tr>
<td>Income tax expense recognised in the statement of comprehensive income</td>
<td>592,837</td>
<td>292,151</td>
</tr>
</tbody>
</table>
10. Intangible assets

<table>
<thead>
<tr>
<th>Bandwidth</th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td></td>
</tr>
<tr>
<td>At 31.3.2008</td>
<td>1,273,758</td>
</tr>
<tr>
<td>Additions</td>
<td>32,029,587</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31.3.2009 and 1.4.2009</td>
<td>33,303,345</td>
</tr>
<tr>
<td>Additions</td>
<td>62,012,092</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31.3.2010</td>
<td>95,315,437</td>
</tr>
</tbody>
</table>

Accumulated amortisation

<table>
<thead>
<tr>
<th>Bandwidth</th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31.3.2008</td>
<td>7,440</td>
</tr>
<tr>
<td>Charge for the year (Note 7)</td>
<td>1,055,348</td>
</tr>
<tr>
<td>At 31.3.2009 and 1.4.2009</td>
<td>1,062,788</td>
</tr>
<tr>
<td>Charge for the year (Note 7)</td>
<td>4,849,665</td>
</tr>
<tr>
<td>At 31.3.2010</td>
<td>5,912,453</td>
</tr>
</tbody>
</table>

Net book value

<table>
<thead>
<tr>
<th>Bandwidth</th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31.3.2009</td>
<td>32,240,557</td>
</tr>
<tr>
<td>At 31.3.2010</td>
<td>89,402,984</td>
</tr>
</tbody>
</table>

11. Plant and equipment

Machinery equipment

<table>
<thead>
<tr>
<th>Bandwidth</th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td></td>
</tr>
<tr>
<td>At 31.3.2008</td>
<td>504,762</td>
</tr>
<tr>
<td>Additions</td>
<td>473,658</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31.3.2009 and 1.4.2009</td>
<td>978,420</td>
</tr>
<tr>
<td>Additions</td>
<td>2,955,295</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31.3.2010</td>
<td>3,933,715</td>
</tr>
</tbody>
</table>

Accumulated depreciation

<table>
<thead>
<tr>
<th>Bandwidth</th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31.3.2008</td>
<td>12,968</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>76,602</td>
</tr>
<tr>
<td>At 31.3.2009 and 1.4.2009</td>
<td>89,590</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>265,353</td>
</tr>
<tr>
<td>At 31.3.2010</td>
<td>354,943</td>
</tr>
</tbody>
</table>

Net book value

<table>
<thead>
<tr>
<th>Bandwidth</th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31.3.2009</td>
<td>888,830</td>
</tr>
<tr>
<td>At 31.3.2010</td>
<td>3,578,772</td>
</tr>
</tbody>
</table>
12. Trade receivables

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables</td>
<td>2,503,350</td>
<td>2,302,560</td>
</tr>
<tr>
<td>Allowance for impairment</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,503,350</strong></td>
<td><strong>2,302,560</strong></td>
</tr>
</tbody>
</table>

Trade receivables are non-interest bearing and generally have up to 45 days’ terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

**Receivables that are past due but not impaired**

The Company has trade receivables amounting to US$ 2,503,350 (2009: US$2,302,560) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their aging at the balance sheet date is as follows:

<table>
<thead>
<tr>
<th>Trade receivables past due:</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lesser than 30 days</td>
<td>2,158,024</td>
<td>1,499,644</td>
</tr>
<tr>
<td>30 to 60 days</td>
<td>272,274</td>
<td>802,916</td>
</tr>
<tr>
<td>60 to 90</td>
<td>73,052</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,503,350</strong></td>
<td><strong>2,302,560</strong></td>
</tr>
</tbody>
</table>

13. Amount due from/to related companies/company

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due from related companies (non-trade)</td>
<td>89,287,481</td>
<td>28,247,098</td>
</tr>
<tr>
<td>Due to related companies (non-trade)</td>
<td>78,518,459</td>
<td>27,295,830</td>
</tr>
</tbody>
</table>

The amounts due from/to related companies are unsecured, interest-free and repayable on demand.

The amounts are expected to be settled in cash.
14. Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and on hand</td>
<td>13,220</td>
<td>757,064</td>
</tr>
<tr>
<td>Fixed Deposits</td>
<td>182,286</td>
<td>---</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>195,506</strong></td>
<td><strong>757,064</strong></td>
</tr>
</tbody>
</table>

Cash and cash equivalent denominated in local currencies at 31 March are as follows:

- **Singapore dollar**
  - 195,5
  - 757

Fixed deposit earned interest at bank deposits rates ranging from 0.1% to 0.7% (2009: NIL) per annum.

15. Advance Revenue

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advance revenue</td>
<td>88,208,205</td>
<td>27,192,615</td>
</tr>
</tbody>
</table>

Advance revenue is service revenue received in advance and recognised as income on a straight line basis over the useful life of the bandwidth of 15 years.

16. Other payables and accruals

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accruals</td>
<td>1,195,155</td>
<td>443,527</td>
</tr>
<tr>
<td>Other payables</td>
<td>893,933</td>
<td>77,142</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,089,088</strong></td>
<td><strong>520,669</strong></td>
</tr>
</tbody>
</table>

17. Loan from a related company

Loan from a related company is unsecured, bears interest at the rate of 7.33% (2009: 7.33%) per annum and is not expected to be repaid within the next 12 months. The amount is expected to be settled in cash.
18. Deferred tax liability

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

<table>
<thead>
<tr>
<th>Balance sheet</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
</tr>
</tbody>
</table>

Deferred tax liabilities

Balance as at 1 April 236,978

Origination and reversal of temporary differences (Note 9) 443,201 236,978

Balance as at 31 March 880,179 236,978

Deferred tax liability arises from differences in depreciation of property, plant and equipment and intangible assets.

19. Share capital

<table>
<thead>
<tr>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
</tr>
<tr>
<td></td>
<td>No. of shares</td>
</tr>
<tr>
<td>No. of shares</td>
<td>750,001</td>
</tr>
<tr>
<td>Issued and fully paid:</td>
<td></td>
</tr>
<tr>
<td>Issuance of shares</td>
<td>-</td>
</tr>
<tr>
<td>At 1 April</td>
<td>-</td>
</tr>
<tr>
<td>At 31 March</td>
<td>750,001</td>
</tr>
</tbody>
</table>

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.

20. Commitments

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.

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

<table>
<thead>
<tr>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
</tr>
<tr>
<td>Within one year</td>
<td>176,917</td>
</tr>
<tr>
<td>Capital commitment</td>
<td>3,498,044</td>
</tr>
</tbody>
</table>

Capital commitment in respect of purchase of plant and equipments.
Bharti Airtel (Singapore) Private Limited

Notes to the Financial Statements – 31 March 2010

21. Related party transactions

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

<table>
<thead>
<tr>
<th>Nature</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Sale of Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Holding Company</td>
<td>73,231,035</td>
<td>28,219,083</td>
</tr>
<tr>
<td>Purchase of Intangible Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Holding Company</td>
<td>8,874,390</td>
<td>747,899</td>
</tr>
<tr>
<td>- Related companies</td>
<td>48,339,225</td>
<td>25,668,455</td>
</tr>
<tr>
<td>- Related parties</td>
<td>3,798,479</td>
<td>7,435,389</td>
</tr>
<tr>
<td>Purchase of Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Holding Company</td>
<td>469,823</td>
<td>178,575</td>
</tr>
<tr>
<td>- Related companies</td>
<td>2,838,019</td>
<td>434,664</td>
</tr>
<tr>
<td>- Related parties</td>
<td>1,439,876</td>
<td>813,250</td>
</tr>
</tbody>
</table>

Compensation of key management personnel

| Professional fees paid to certain directors | 4,18 | 3,981 |

The key management personnel of the Company comprises the directors of the Company and they did not earn any remuneration from the Company during the year.
22. Fair value of financial instruments

(a) *Fair value*

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, amounts due to/from related companies, other payables and accruals and loan from related company reasonably approximate their fair values because these are mostly short term in nature or are repriced regularly.

<table>
<thead>
<tr>
<th></th>
<th>Loans and receivables</th>
<th>Liabilities at amortised cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td><strong>As at 31 March 2010</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade &amp; other receivables</td>
<td>2,971,955</td>
<td>-</td>
<td>2,971,955</td>
</tr>
<tr>
<td>Amount due from related companies</td>
<td>89,287,481</td>
<td>-</td>
<td>89,287,481</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>195,506</td>
<td>-</td>
<td>195,506</td>
</tr>
<tr>
<td></td>
<td>92,454,942</td>
<td>-</td>
<td>92,454,942</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts due to related company</td>
<td>-</td>
<td>78,518,459</td>
<td>78,518,459</td>
</tr>
<tr>
<td>Other payable and accrued expenses</td>
<td>-</td>
<td>2,089,088</td>
<td>2,089,088</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>80,607,547</td>
<td>80,607,547</td>
</tr>
</tbody>
</table>
22. Fair value of financial instruments (cont’d)

<table>
<thead>
<tr>
<th>Loans and receivables</th>
<th>Liabilities at amortised cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$</td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>As at 31 March 2009</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade &amp; other receivables</td>
<td>2,462,557</td>
<td>2,462,557</td>
</tr>
<tr>
<td>Amount due from related companies</td>
<td>28,247,098</td>
<td>28,247,098</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>757,064</td>
<td>757,064</td>
</tr>
<tr>
<td></td>
<td>31,466,719</td>
<td>31,466,719</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount due to related company</td>
<td>-</td>
<td>27,295,830</td>
</tr>
<tr>
<td>Other payable and accrued expenses</td>
<td>-</td>
<td>520,669</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>27,816,499</td>
</tr>
</tbody>
</table>

23. 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, 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.
23. **Financial risk management objectives and policies (cont'd)**

   **Exposure to credit risk**

   At the balance sheet date, 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.

   **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 reputable financial institutions.

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

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 balance sheet date based on contractual undiscounted repayment obligation.

<table>
<thead>
<tr>
<th></th>
<th>Less than 1 year US$</th>
<th>1 to 5 years US$</th>
<th>Total US$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2010</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>2,971,955</td>
<td>–</td>
<td>2,971,955</td>
</tr>
<tr>
<td>Amount due from related companies</td>
<td>89,287,481</td>
<td>–</td>
<td>89,287,481</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>195,506</td>
<td>–</td>
<td>195,506</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td>92,454,942</td>
<td>–</td>
<td>92,454,942</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>2,089,088</td>
<td>–</td>
<td>2,089,088</td>
</tr>
<tr>
<td>Amount due to related companies</td>
<td>78,518,459</td>
<td>–</td>
<td>78,518,459</td>
</tr>
<tr>
<td>Loan from a related company</td>
<td>– 12,830,754</td>
<td>–</td>
<td>12,830,754</td>
</tr>
<tr>
<td><strong>Total financial liabilities</strong></td>
<td>80,607,547</td>
<td>12,830,754</td>
<td>93,438,301</td>
</tr>
<tr>
<td><strong>Total net financial assets/(liabilities)</strong></td>
<td>11,847,395</td>
<td>(12,830,754)</td>
<td>(983,359):</td>
</tr>
<tr>
<td><strong>2009</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>2,462,557</td>
<td>–</td>
<td>2,462,557</td>
</tr>
<tr>
<td>Amount due from related companies</td>
<td>28,247,098</td>
<td>–</td>
<td>28,247,098</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>757,064</td>
<td>–</td>
<td>757,064</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td>31,466,719</td>
<td>–</td>
<td>31,466,719</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>520,669</td>
<td>–</td>
<td>520,669</td>
</tr>
<tr>
<td>Amount due to related companies</td>
<td>27,295,830</td>
<td>–</td>
<td>27,295,830</td>
</tr>
<tr>
<td>Loan from a related company</td>
<td>– 8,530,636</td>
<td>–</td>
<td>8,530,636</td>
</tr>
<tr>
<td><strong>Total financial liabilities</strong></td>
<td>27,816,499</td>
<td>8,530,636</td>
<td>36,347,135</td>
</tr>
<tr>
<td><strong>Total net financial assets/(liabilities)</strong></td>
<td>3,650,220</td>
<td>(8,530,636)</td>
<td>(4,880,416)</td>
</tr>
</tbody>
</table>

(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 which bears fixed interest rate.
23. Financial risk management objectives and policies (cont'd)

(d) Foreign exchange risk

The company has transactional currency exposures arising from loans from related companies 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 profit net of tax to a reasonably possible change in the Singapore dollars exchange rates against the functional currency of the Company, with all other variables held constant.

<table>
<thead>
<tr>
<th>Profit net of tax</th>
<th>2010 US$</th>
<th>2009 US$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Foreign bank balances</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SGD/USD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- strengthened 5% (2009: 5%)</td>
<td>9,775</td>
<td>37,853</td>
</tr>
<tr>
<td>- weakened 5% (2009:5%)</td>
<td>3,775</td>
<td>37,853</td>
</tr>
<tr>
<td><strong>Foreign interest payable</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SGD/USD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- strengthened 5% (2009: 5%)</td>
<td>51,603</td>
<td>11,914</td>
</tr>
<tr>
<td>- weakened 5% (2009:5%)</td>
<td>51,603</td>
<td>11,914</td>
</tr>
<tr>
<td><strong>Foreign loan payable</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SGD/USD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- strengthened 5% (2009: 5%)</td>
<td>602,879</td>
<td>426,532</td>
</tr>
<tr>
<td>- weakened 5% (2009:5%)</td>
<td>602,879</td>
<td>426,532</td>
</tr>
</tbody>
</table>

24. 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 regards 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 2010 and period ended 31 March 2009.

25. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2010 were authorised for issue in accordance with a resolution of the directors on 26 April, 2010.