# MONTANA INTERNATIONAL

**FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2016

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MONTANA INTERNATIONAL

COMPANY INFORMATION

DIRECTORS : Jantina Catharina van de Vreede
          Devananda Naraidoo
          Bhoomija Juwaheer
          (Alternate to Devananda Naraidoo)

Date of appointment
26 November 2010
14 February 2011
27 March 2013

ADMINISTRATOR AND SECRETARY

Abax Corporate Services Ltd
6th Floor, Tower A
1 CyberCity
Ebene
Mauritius

REGISTERED OFFICE : 6th Floor, Tower A
1 CyberCity
Ebene
Mauritius

AUDITORS : PKF (Mauritius)
5 Duke of Edinburgh Avenue
Port Louis
Mauritius

BANKER : HSBC BANK (Mauritius) Limited
6th Floor, HSBC Centre
18, CyberCity
Ebene
Reduit 72201
Mauritius
MONTANA INTERNATIONAL

INDEPENDENT AUDITORS’ REPORT TO THE MEMBERS

This report is made solely to the members of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company’s members those matters we are required to state to them in an auditors’ report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company’s members as a body, for our audit work, for this report, or for the opinion we have formed.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements set out on pages 6 to 20 which comprise the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of, in all material respects, the financial position of the Company as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001. They are also responsible for such internal control as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

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Lamusse Sek Sum & Co • 5 Duke of Edinburgh Ave • Port Louis • Republic of Mauritius • BRN P07005092

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MONTANA INTERNATIONAL

INDEPENDENT AUDITORS’ REPORT TO THE MEMBERS (CONT’D)

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
MONTANA INTERNATIONAL

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (CONT'D)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

PKF (MAURITIUS)
PUBLIC ACCOUNTANTS

Port Louis
MAURITIUS

Date: 20/06/2017

Michael V K Lo Tiap Kwong FCCA
(Licensed by FRC)
MONTANA INTERNATIONAL

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>INCOME</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EXPENSES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licence and registration fees</td>
<td>345</td>
<td>345</td>
</tr>
<tr>
<td>Secretarial and administration fees</td>
<td>6,500</td>
<td>6,700</td>
</tr>
<tr>
<td>Directors' fees</td>
<td>2,000</td>
<td>1,750</td>
</tr>
<tr>
<td>Accountancy fees</td>
<td>8,750</td>
<td>8,750</td>
</tr>
<tr>
<td>Audit fees</td>
<td>2,990</td>
<td>2,990</td>
</tr>
<tr>
<td></td>
<td>20,585</td>
<td>20,535</td>
</tr>
<tr>
<td>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</td>
<td>(20,585)</td>
<td>(20,535)</td>
</tr>
</tbody>
</table>

The notes on pages 10 to 20 form an integral part of the financial statements.
MONTANA INTERNATIONAL

STATEMENT OF FINANCIAL POSITION - 31 DECEMBER 2016

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>Non-current asset</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in subsidiary (Note 5)</td>
<td>40,000</td>
<td>40,000</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receivables and prepaid expenses (Note 6)</td>
<td>1,920</td>
<td>2,005</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>2,816</td>
<td>2,816</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>4,736</td>
<td>4,821</td>
</tr>
<tr>
<td></td>
<td>44,736</td>
<td>44,821</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>EQUITY AND LIABILITIES</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
</tr>
<tr>
<td>Stated capital (Note 7)</td>
</tr>
<tr>
<td>Accumulated losses</td>
</tr>
<tr>
<td>Shareholder's deficit</td>
</tr>
</tbody>
</table>

| **Liabilities**            |        |        |
| Current liability          | 225,642 | 205,142 |
| Other payables and accrued expenses (Note 8) |        |        |
| **Total equity and liabilities** | 44,736 | 44,821 |

Authorised for issue by the Board of directors on and signed on its behalf by: 20 June 2017

Name: Mr Devananda Naraidoo

Signature: [Signature]

The notes on pages 10 to 20 form an integral part of the financial statements.
## Statement of Changes in Equity for the Year Ended 31 December 2016

<table>
<thead>
<tr>
<th></th>
<th>Stated Capital USD</th>
<th>Accumulated Losses USD</th>
<th>Total USD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At 01 January 2015</strong></td>
<td>100</td>
<td>(139,886)</td>
<td>(139,786)</td>
</tr>
<tr>
<td><strong>Total comprehensive loss for the year</strong></td>
<td>-</td>
<td>(20,535)</td>
<td>(20,535)</td>
</tr>
<tr>
<td><strong>At 31 December 2015</strong></td>
<td>100</td>
<td>(160,421)</td>
<td>(160,321)</td>
</tr>
<tr>
<td><strong>Total comprehensive loss for the year</strong></td>
<td>-</td>
<td>(20,585)</td>
<td>(20,585)</td>
</tr>
<tr>
<td><strong>At 31 December 2016</strong></td>
<td>100</td>
<td>(181,006)</td>
<td>(180,906)</td>
</tr>
</tbody>
</table>

The notes on pages 10 to 20 form an integral part of the financial statements.
MONTANA INTERNATIONAL

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss for the year</td>
<td>(20,585)</td>
<td>(20,535)</td>
</tr>
<tr>
<td><strong>Adjustment for:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses paid by shareholder on behalf of the Company (Note 9 (iv))</td>
<td>20,890</td>
<td>17,795</td>
</tr>
<tr>
<td></td>
<td>305</td>
<td>(2,740)</td>
</tr>
<tr>
<td><strong>Working capital adjustments:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease/ (increase) in trade and other receivables</td>
<td>85</td>
<td>(250)</td>
</tr>
<tr>
<td>(Decrease)/ increase in trade and other payables</td>
<td>(390)</td>
<td>2,990</td>
</tr>
<tr>
<td></td>
<td>(305)</td>
<td>2,740</td>
</tr>
<tr>
<td><strong>Net cash from operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net movement in cash and cash equivalents</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>2,816</td>
<td>2,816</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>2,816</td>
<td>2,816</td>
</tr>
</tbody>
</table>

The notes on pages 10 to 20 form an integral part of the financial statements.
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

1. GENERAL INFORMATION

Montana International (the "Company") is a limited liability company incorporated in Mauritius, holds a Category 2 Global Business Licence under the Financial Services Act 2007 and is regulated by Financial Services Commission.

The principal activity of the Company is that of investment holding.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of presentation

The financial statements have been prepared in accordance with and in compliance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations. The financial statements have been prepared under the historical cost convention except that relevant financial assets and liabilities are stated at fair value, or carried at amortised cost as appropriate.

Use of judgements and estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Changes in accounting policy and disclosures

New and amended standards

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 01 January 2016.

Although these new standards and amendments applied for the first time in 2016, they did not have a material impact on the financial statements of the Company. The nature and the impact of each new standard or amendment relevant to the Company are described below.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1 - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.

- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated - where this is relevant to an understanding of the entity’s financial position or performance.

- That entities have flexibility as to the order in which they present the notes to financial statements.
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policy and disclosures (continued)

New and amended standards (continued)

Amendments to IAS 1 Disclosure Initiative (continued)

- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI.

These amendments affect presentation only and do not have any impact on the financial position or performance of the Company.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10 Consolidated Financial Statements. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.

The amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments are applied retrospectively and do not have any impact on the Company as the Company does not apply the consolidation exception.

Other standards, amendments and interpretations which are effective for the financial period beginning on 01 January 2016 do not have any impact on the Company.

New standards, amendments and interpretations issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company’s financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 9 – Financial Instruments (effective for accounting periods beginning on or after 01 January 2018)

IFRS 9, ‘Financial instruments’, addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. The Company plans to adopt the new standard on the required effective date. Early adoption is permitted.
MONTANA INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New standards, amendments and interpretations issued but not yet effective (continued)

[IAS 7 Disclosure Initiative – Amendments to IAS 7 (effective for accounting periods beginning on or after 01 January 2017)]

The amendments to IAS 7, ‘Statement of Cash Flows’, are part of the IASB’s Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. Early application is permitted. The amendments are intended to provide information to help investors better understand changes in a company’s debt.

The directors anticipate that these IFRSs will be applied on their effective dates in the future periods. The directors have not yet assessed the potential impact of the adoption of these amendments.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in United States dollar (“USD”) which is the Company’s functional currency. The USD is the currency that most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of their fair value gain or loss. Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transactions.

Investment in subsidiary

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to variable returns from its involvement from the entity and has the ability to affect those returns through its power over the entity.

Investment in subsidiary is initially shown at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of comprehensive income.

On the disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.
2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Consolidated financial statements

The Company owns 100% of the issued share capital of Societe Malgache de Telephone Cellulaire SA, a company incorporated in Mauritius and has taken advantage of paragraph 4 of International Financial Reporting Standard ("IFRS") 10. Consolidated Financial Statements, which dispenses it from the need to present consolidated financial statements, as its ultimate parent, Bharti Airtel Limited, incorporated in India, prepares consolidated financial statements that comply with International Financial Reporting Standards and which are available for public use. These consolidated financial statements are obtainable at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110 070, India.

Financial instruments

Financial instruments carried on the statement of financial position include other receivables, cash and cash equivalents and other payables and accrued expenses. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Company’s cash and cash equivalents comprise of cash at bank.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Stated Capital

Stated capital is determined using the nominal values of shares that have been issued and classified as equity.

Impairment of non-financial assets

The carrying amount of assets is assessed at each reporting date to determine whether there are any indications of impairment. If any such indication exists, the Company estimates the recoverable amount of the asset being the higher of the asset’s net selling price and its value in use, in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for any excess of the asset’s carrying amount over its recoverable amount and is taken directly to the statement of comprehensive income.
2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

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

Assets carried at amortised cost

If there is objective evidence that an impairment loss on assets 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 (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss shall be recognised in the statement of comprehensive income.

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 value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income.

Derecognition of financial assets and liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligation is discharged, cancelled or expired.

Provisions

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

Revenue recognition

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised using the effective interest method.

Expenses Recognition

Expenses are accounted for in the statement of comprehensive income on an accrual basis.
3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and judgements that affect the reported amounts of assets and liabilities within the next year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected.

Going concern

The Company suffered a net loss of USD 20,585 for the year ended 31 December 2016 (2015: USD 20,535) and as at reporting date the Company had a shareholder’s deficit of USD 180,906 (2015: USD 160,321). The Company has received a letter of support from its holding company to enable it to meet its obligations as they fall due. Accordingly, the financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors

The Company’s activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. This note presents information about the Company’s exposure to each of the said risks, the Company’s objectives, policies and processes for measuring and managing risk, and the Company’s management of capital. Further quantitative disclosures are included throughout these financial statements.

The board of directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. The Company’s risk management policies are established to identify and analyse the risks faced by the Company to set appropriate measures and controls and to monitor risks and adherence to limits. Risks management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company’s activities.

The Company’s exposure to the various types of risks associated to its activity and financial instruments is detailed below.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of financial instrument will fluctuate because of changes in foreign exchange rate. The Company has no significant exposure to foreign exchange risk as it does not have any financial assets or liabilities, which are denominated in foreign currencies.
4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(ii) Interest risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company has no significant exposure to interest-rate risk as it has no interest-bearing financial assets and liabilities.

(iii) Price risk

Equity price risk is the risk of unfavourable changes in fair values of equities as the result of changes in the value of individual shares. The Company has no exposure to price risk at year end.

(b) Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. With respect to credit risk arising from financial assets which comprise of cash and cash equivalents and amount due from a related party, the Company’s exposure arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets at the reporting date. The Company manages its credit risk by banking with reputable financial institutions, and carrying out transactions with related party where there is no significant credit risk.

(c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations, associated with its financial liabilities when they fall due.

The Company manages liquidity risk by maintaining adequate cash reserves to meet its obligations as they fall due through financing from related parties.

The table below summarises the maturity profile of the Company’s financial liabilities at 31 December 2016 based on contractual undiscounted payments:

<table>
<thead>
<tr>
<th></th>
<th>On demand USD</th>
<th>Within one year USD</th>
<th>Less than 5 years USD</th>
<th>More than 5 years USD</th>
<th>Total USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 Other payables and accrued expenses</td>
<td>216,435</td>
<td>9,207</td>
<td>-</td>
<td>-</td>
<td>225,642</td>
</tr>
<tr>
<td></td>
<td>= = = = = = =</td>
<td>= = = = = = =</td>
<td>= = = = = = =</td>
<td>= = = = = = =</td>
<td>= = = = =</td>
</tr>
<tr>
<td>2015 Other payables and accrued expenses</td>
<td>195,545</td>
<td>9,597</td>
<td>-</td>
<td>-</td>
<td>205,142</td>
</tr>
<tr>
<td></td>
<td>= = = = = = =</td>
<td>= = = = = = =</td>
<td>= = = = = = =</td>
<td>= = = = = = =</td>
<td>= = = = =</td>
</tr>
</tbody>
</table>

(d) Fair values

The carrying amounts of other receivables, cash and cash equivalents and other payables and accrued expenses approximate their fair values.
MONTANA INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016 (CONTINUED)

4  FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Capital risk management

The Company's objectives when managing capital are to raise sufficient funds for its investing activities and to safeguard the Company's ability to pay its debts as they fall due in order to continue as going concern and provide returns for the shareholder. Capital comprises equity. In order to maintain or adjust the capital structure, the Company may issue new shares or have recourse to its parent for funding, sell its investment or vary the amount of dividends or return capital to the shareholder.

(f) Financial instruments by category

<table>
<thead>
<tr>
<th>Financial assets</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and receivables</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Other receivables</td>
<td>2,816</td>
<td>2,816</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>2,856</td>
<td>2,856</td>
</tr>
<tr>
<td></td>
<td>2,856</td>
<td>2,856</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other financial liabilities at amortised cost</td>
</tr>
<tr>
<td>Other payables and accrued expenses</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

5  INVESTMENT IN SUBSIDIARY

<table>
<thead>
<tr>
<th>Unquoted investment at cost:</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>At beginning and end of the year</td>
<td>40,000</td>
<td>40,000</td>
</tr>
<tr>
<td></td>
<td>========</td>
<td>========</td>
</tr>
</tbody>
</table>

Details pertaining to the investment in subsidiary at 31 December 2016 are as follows:

<table>
<thead>
<tr>
<th>Name of company</th>
<th>Country of incorporation</th>
<th>Number and class of shares held</th>
<th>% Ownership interest</th>
<th>Cost USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Société Malgache de Telephone Cellulaire SA</td>
<td>Mauritius</td>
<td>10,000 Ordinary shares</td>
<td>100</td>
<td>40,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>30,000 B Ordinary shares</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

At 31 December 2016, the directors have assessed the recoverable amount of the above investment and are of the opinion that the investment has not suffered any impairment.
MONTANA INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016 (CONTINUED)

6 OTHER RECEIVABLES AND PREPAYMENTS

<table>
<thead>
<tr>
<th>Amount receivable from shareholder (Note 9 (v))</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>Prepayments</td>
<td>1,880</td>
<td>1,965</td>
</tr>
</tbody>
</table>

1,920 2,005

7 STATED CAPITAL

<table>
<thead>
<tr>
<th>Number of shares</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issued and partly paid:</td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>At beginning and end of the year</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

100 100

The share capital consists of 100 ordinary shares with a par value of USD 1 each.

Rights and restrictions attached to ordinary shares:

Voting rights

Each ordinary share shall entitle its holder to receive notice of, to attend and vote at any meeting of the Company.

Rights relating to dividends

Each ordinary share shall entitle its holder the right of an equal share in dividends as authorised by the board.

Rights relating to repayment of capital

Upon winding-up, each ordinary share shall entitle its holder the right to an equal share in the distribution of the surplus assets of the Company.

8 OTHER PAYABLES AND ACCRUED EXPENSES

<table>
<thead>
<tr>
<th>Amount due to other related parties (Note 9 (ii))</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount due to subsidiary (Note 9 (iii))</td>
<td>96,040</td>
<td>96,040</td>
</tr>
<tr>
<td>Amount due to shareholder (Note 9 (iv))</td>
<td>40,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Accruals</td>
<td>80,395</td>
<td>59,505</td>
</tr>
<tr>
<td></td>
<td>9,207</td>
<td>9,597</td>
</tr>
<tr>
<td></td>
<td>225,642</td>
<td>205,142</td>
</tr>
</tbody>
</table>

225,642 205,142
9 RELATED PARTY TRANSACTIONS

During the year under review, the Company had the following transactions with related parties. Details of the nature, volume of transactions and balances with related parties are as follows:

2016 2015
USD USD

(i) Key management services
ABAX CORPORATE SERVICES LTD - Administrator

(a) Expenses including directors fees incurred by the Company
17,250 17,450

(b) Outstanding balance
6,217 3,617

2016 2015
USD USD

(ii) Amount due to other related party-
Channel Sea Management Company (Mauritius) Limited
At beginning and end of the year
96,040 96,040

The amount due to other related party is unsecured, interest free and repayable on demand.

2016 2015
USD USD

(iii) Amount due to subsidiary - Société Malgache de Telephone Cellulaire SA
At beginning and end of the year
40,000 40,000

The amount due to subsidiary is unsecured, interest free and receivable on demand.

2016 2015
USD USD

(iv) Amount due to shareholder - Celtel (Mauritius) Holdings Limited
At beginning of the year
59,505 41,710
Expenses paid on behalf of the Company during the year
20,890 17,795

At end of the year
80,395 59,505

The amount due to shareholder is unsecured, interest free with no fixed terms of repayment.

2016 2015
USD USD

(v) Amount receivable from shareholder - Celtel (Mauritius) Holdings Limited
At beginning and end of the year
40 40

The amount receivable from shareholder is unsecured, interest free and receivable on demand.
10 PARENT AND ULTIMATE PARENT

The directors consider Bharti Airtel Madagascar Holdings B.V., a company incorporated in Netherlands, as the Company’s parent and Bharti Airtel Limited, a company incorporated in India as the Company’s ultimate parent.

11 EVENTS AFTER REPORTING DATE

There are no material events after the reporting date which require amendments to or additional disclosures in the financial statements for the year ended 31 December 2016.