GLOBAL Group Enterprise

GTL

30th Annual Report 2017–18

(Subsidiaries Report)

CONTENTS

DIRECTORS' REPORT

To

The Members,

Your Directors submit their Fourteenth Annual Report together with the Audited Financial Statements for the year ended March 31, 2018.

1. STATE OF COMPANY'S AFFAIRS

Financial Highlights:

(Amount in ₹)

Particulars	2017–18	2016–17
Total Income	**NIL**	NIL
Loss Before Exceptional Items and Tax From Continuing Operations	**(14,76,845)**	(221,728)
Exceptional Item	**NIL**	NIL
Loss Before Tax From Continuing Operations	**(14,76,845)**	(221,728)
Tax Expenses		
Current Tax	**NIL**	NIL
Adjustment of Tax Relating To Earlier Periods	**NIL**	(60,778)
Loss For The Year	**(14,76,845)**	(282,506)

Figures regrouped / reclassified wherever necessary to make them comparable.

2. RESULTS OF OPERATIONS AND BUSINESS OVERVIEW

The Company had been rendering telecom engineering services to telecom operators, OEMs and tower companies either directly or through its Holding Company – GTL Limited. For past few years, the Company was contemplating to undertake some new / additional business; however, it could not do so due to continuing recessionary condition in telecom industry and dearth of adequate business opportunities in the market. Resultantly, during the year under review, the Company has posted income of ₹ Nil and Net Loss of ₹ (14, 76, 845) against the Net loss of ₹ (2,82,506) for the previous year.

3. DIVIDEND

Since your Company has posted losses during the year, your Directors express their inability to recommend any dividend on the paid up Equity Share Capital of the Company for the financial Year ended March 31, 2018.

4. SHARE CAPITAL

During the year under review, there was no movement in the Share capital of the Company, which stood at 90,000 Equity Shares as on March 31, 2018.

5. FIXED DEPOSITS

During the year under review, the Company has not accepted any fresh fixed deposits from Public or from its Shareholders.

6. DIRECTORS

Mr. Milind Bapat, Director (DIN:07788119) and Mr. Sanjay Advani (DIN:07788948) continue to be Directors of the Company and in terms of the provisions of Articles of Association of the Company, there is no requirement for retirement of director by rotation.

7. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3) (c) of the Companies Act, 2013 (the "Act"), the Board of Directors, to the best of their knowledge and ability in respect of the year ended March 31, 2018, confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures;

b. they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;

c. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they had prepared the annual accounts on a going concern basis; and

e. they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met Five (5) times during the financial year 2017–18 on April 10, 2017, April 12, 2017, July 20, 2017, October 20, 2017 and January 3, 2018. The intervening gap between any two meetings was within the period prescribed under the Act.

9. AUDITOR AND AUDITOR'S REPORT

Pursuant to the provisions of Section 139 of the Act and rules framed there under, M/s V. Nair & Associates (FRN:106835W), Chartered Accountants, Mumbai, were appointed as an Auditor at the Tenth (10th) AGM of the Company held on September 29, 2014 to hold office from conclusion of the said meeting till the conclusion of the Fifteenth (15th) AGM to be held in calendar year 2019. The Company has received the necessary certificate from the Auditor pursuant to Sections 139 and 141 of the Act regarding their eligibility for appointment.

The resolution seeking approval of the Members for ratification of the appointment of M/s V. Nair & Associates (FRN:106835W), Chartered Accountants, Mumbai, as an Auditor of the Company has been incorporated in the notice of the ensuing AGM of the Company.

The Audit Report does not contain any comments / observations.

10. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, the Company has not granted any loans, issued guarantees and made any investments and the required details are furnished in the financial statements.

11. PARTICULARS OF RELATED PARTY TRANSACTIONS

The particulars as required under the Act are furnished in Annexure A (Form No. AOC–2) to this Report.

12. EXTRACT OF ANNUAL RETURN AS ON MARCH 31, 2018

The required details are furnished in Annexure B (Form No. MGT–9) to this Report.

13. AMOUNT TRANSFERRED TO RESERVES

During the year under review, no amount was transferred to the reserves.

14. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no events occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report, which may affect the financial position of the Company.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

a. Conservation of energy:

1. The steps taken or impact on conservation of energy	:	Since the Company had not carried out any business activity during the financial year under review, the above mentioned details are not applicable to the Company.
2. The steps taken by the Company for utilizing alternate source of energy	:	
3. The Capital investment on energy conservation equipments	:	

b. Technology Absorption:

1. Efforts made towards technology absorption	:	Not Applicable
2. The benefits derived like product improvement, cost reduction, product development or import substitution	:	
3. In case of imported technology (imported during last 3 years reckoned from the beginning of the financial year)	:	
a. the details of technology imported	:	
b. the year of import	:	
c. whether the technology been fully absorbed?	:	
d. if not fully absorbed, areas where absorption has not taken place, reasons thereof	:	
4. the expenditure incurred on Research and Development	:	NIL

c. Foreign Exchange Earnings and Outgo:

There were no actual inflow and outflow of Foreign Exchange during the year under review.

16. GENERAL

Notes forming parts of the Accounts are self – explanatory.

17. ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation and acknowledge with gratitude the support and cooperation extended by the clients, employees, vendors, bankers, financial institutions, investors, media and both the Central and State Governments and their Agencies and look forward to their continued support.

On behalf of the Board of Directors,

Milind Bapat *Director*

Sanjay Advani *Director*

Navi Mumbai
April 12, 2018

ANNEXURE – A TO TO DIRECTORS' REPORT

FORM NO. AOC–2

[Pursuant to clause (h) of sub–section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub–section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis : Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis : Not Applicable

On behalf of the Board of Directors,

Milind Bapat *Director*

Sanjay Advani *Director*

Navi Mumbai
April 12, 2018

ANNEXURE B TO DIRECTORS' REPORT

FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

Sr. No.	Particulars	Details
i)	CIN	U64203MH2004PTC223982
ii)	Registration Date	April 15, 2004
iii)	Name of the Company	Ada Cellworks Wireless Engineering Private Limited
iv)	Category / Sub–Category of the Company	Indian Non–Government Company limited by Shares
v)	Address of the Registered office and contact details	Global Vision, Electronic Sadan No. – II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai – 400710 gtlshares@gtllimited.com
vi)	Whether listed company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	GTL Limited (Investor Service Centre) Global vision, Electronic Sadan No. II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai – 400 710 Telephone No: +91–22–27612929 ext. 2232–35 Fax: +91–22–27680171 Website: www.gtllimited.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:–

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Telecom Engineering Services	612	NIL

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	GTL Limited	L40300MH1987PLC045657	Holding	100	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

As the entire Share Capital (100%) of the Company continued to be held by its Holding Company, information under Category–wise Share Holding, Shareholding of Promoters, Change in Promoters' Shareholding, Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) and Shareholding of Directors is not applicable.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(in ₹)

	Secured Loans (excluding deposits)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
Addition	0	0	0	0
Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole–time Directors and/or Manager: Not Applicable

B. Remuneration to other directors: NIL

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD : Not Applicable

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishments or compounding of offences under the Companies Act, 2013 during FY 2017–18.

INDEPENDENT AUDITOR'S REPORT

To The Members of **ADA CELLWORKS WIRELESS ENGINEERING PRIVATE LIMITED**

Opinion

We have audited the accompanying Standalone financial statements of **M/s. ADA Cellworks Wireless Engineering Private Limited** (**"the Company"**) which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and Loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and 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 Board of Directors are also responsible for overseeing the company's financial reporting process

Auditor's Responsibility 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub–section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

a. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   1. The Company does not have any pending litigations which would impact its financial position
   2. The Company did not have any long–term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
   3. There has not been as occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise

For **V Nair & Associates**
Chartered Accountants
FRN: 106835W

Venugopal C. Nair
(Proprietor)
Membership No: 039445

Place : Mumbai
Date : 27th April, 2018

ANNEXURE – A TO THE AUDITORS REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that:

1 The Company does not have any fixed assets.

2 The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause (ii) of paragraph 3 of the said Order is not applicable to the Company

3 The company has not granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly clause (iii) of Paragraph 3 of the Companies (Auditors Report) Order, 2015 is not applicable to the Company.

4 In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

5 The Company has not accepted any deposits from the public.

6 As informed to us, the Central Government has not prescribed maintenance of cost records for the nature of business of the company under sub–section (1) of Section 148 of the Act

7 a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income–tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

b) Details of dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Nature of the Statute	Nature of Dues	Amount	Year to which the amount relates	Forum where dispute is pending
Duty of customs, Duty of Excise, Cess and other applicable statutory dues	Service Tax	886,694	2009–2010	1st Appellate Authority
Income Tax, Wealth–Tax, Duty of customs	Income Tax	55,611	2009–2010	1st Appellate Authority
Income Tax, Wealth–Tax, Duty of customs	Income Tax	564,750	2010–2011	1st Appellate Authority
Income Tax, Wealth–Tax, Duty of customs	Income Tax	959,629	2011–2012	1st Appellate Authority
Income Tax, Wealth–Tax, Duty of customs	Income Tax	82,77,190	2012–2013	1st Appellate Authority
Income Tax, Wealth–Tax, Duty of customs	Income Tax	1077670	2013–2014	1st Appellate Authority

8 The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

9 The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

10 According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11 According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/ provided for managerial remuneration.

12 In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13 According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

14 According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15 According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non–cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16 The Company is not required to be registered under section 45–IA of the Reserve Bank of India Act 1934.

For **V Nair & Associates**
Chartered Accountants
FRN: 106835W

Venugopal C. Nair
(Proprietor)
Membership No: 039445

Place : Mumbai
Date : 27th April, 2018

BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Notes	As at 31 March 2018 ₹	As at 31 March 2017 ₹
Assets			
Non–current assets			
Property, plant and equipment	3	**NIL**	NIL
Capital work–in–progress	3	**NIL**	NIL
Investment properties		**NIL**	NIL
Intangible assets		**NIL**	NIL
Financial assets			
Investments	4	**NIL**	NIL
Loans	5	**25,000**	25,000
Other		**NIL**	NIL
Deferred tax assets (net)		**NIL**	NIL
Other non–current assets		**NIL**	NIL
		25,000	25,000
Current assets			
Inventories		**NIL**	NIL
Financial assets			
Investments		**NIL**	NIL
Trade receivables	6	**NIL**	NIL
Cash and cash equivalents	7	**1,823,544**	2,897,312
Bank balance other than included in Cash and cash equivalents above		**NIL**	NIL
Loans		**NIL**	NIL
Other	8	**NIL**	NIL
Current Tax Assets (Net)	9	**9,939,766**	9,939,766
Other current assets	10	**NIL**	401,908
		11,763,310	13,238,985
Total Assets		**11,788,310**	**13,263,985**
Equity and liabilities			
Equity			
Equity Share Capital	11	**900,000**	900,000
Other Equity		**10,762,140**	**12,238,985**
Total Equity		**11,662,140**	**13,138,985**
Non–current liabilities:			
Financial liabilities			
Borrowings		**NIL**	NIL
Provisions		**NIL**	NIL
		NIL	NIL
Current liabilities:			
Financial liabilities			
Trade payables	12	**NIL**	NIL
Other financial liabilities	13	**98,912**	125,000
Other current liabilities	14	**27,258**	NIL
Provisions		**NIL**	NIL
		126,171	**125,000**
Total liabilities		**126,171**	**125,000**
Total equity and liabilities		**11,788,310**	**13,263,985**

The accompanying notes form an integral part of the standalone financial Statement

As per our report of even date
For V. NAIR & ASSOCIATES
Chartered Accountants
Firm Registration No. 106835W

VENUGOPAL NAIR
Proprietor
Membership No. 039445
Mumbai, April 27, 2018

For and on behalf of the Board
ADA Cellworks Wireless Engineering Private Limited

Milind Bapat
Director

Sanjay Advani
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Notes	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
Continuing operations			
Revenue from operations		**NIL**	NIL
Other income		**NIL**	NIL
TOTAL INCOME		**NIL**	**NIL**
EXPENSES			
Cost of Purchases / Services rendered		**NIL**	NIL
Changes in inventories of finished goods, stock–in–trade and work–in–progress		**NIL**	NIL
Employee benefits expenses		**NIL**	NIL
Finance costs		**NIL**	NIL
Depreciation and amortisation expenses		**NIL**	NIL
Other expenses	15	**1,476,845**	221,728
TOTAL EXPENSES		**1,476,845**	**221,728**
Loss before exceptional items and tax from continuing operations		**(1,476,845)**	**(221,728)**
Exceptional items		**NIL**	NIL
Loss before tax from continuing operations		**(1,476,845)**	**(221,728)**
Tax expenses			
Current tax		**NIL**	NIL
Adjustment of tax relating to earlier periods			(60,778)
Loss For The Year From Continuing Operations		**(1,476,845)**	**(282,506)**
Discontinued operations:			
Loss before tax for the year from discontinued operations		**NIL**	NIL
Tax expenses of discontinued operations		**NIL**	NIL
Loss for the year from discontinued operations		**NIL**	**NIL**
Loss for the year		**(1,476,845)**	**(282,506)**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		**NIL**	NIL
(ii) Income tax relating to items that will not be reclassified to profit or loss		**NIL**	NIL
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**NIL**	NIL
B (i) Items that will be reclassified to profit or loss		**NIL**	NIL
(ii) Income tax relating to items that will be reclassified to profit or loss		**NIL**	NIL
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**NIL**	**NIL**
Other comprehensive income for the year, net of tax		**NIL**	NIL
Total Comprehensive Income for the period, net of tax		**(1,476,845)**	**(282,506)**
Earnings per share (in ₹)	**16**		
Continuing operations			
Basic		**(16.41)**	(3.14)
Diluted		**(16.41)**	(3.14)
Discontinued operations			
Basic		**NIL**	NIL
Diluted		**NIL**	NIL
Continuing and discontinued operations			
Basic		**(16.41)**	(31.39)
Diluted		**(16.41)**	(31.39)

The accompanying notes form an integral part of the standalone financial Statement

As per our report of even date
For V. NAIR & ASSOCIATES
Chartered Accountants
Firm Registration No. 106835W

VENUGOPAL NAIR
Proprietor
Membership No. 039445
Mumbai, April 27, 2018

For and on behalf of the Board
ADA Cellworks Wireless Engineering Private Limited

Milind Bapat
Director

Sanjay Advani
Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

a. Equity Share Capital:

Equity shares of INR 10 each issued, subscribed and fully paid (Refer Note 11.2)	No of shares	₹
At 31 March 2017	90,000	900,000
At 31 March 2018	90,000	900,000

b. Other Equity:

Particulars	Equity component of compound financial instrument	Reserves & Surplus						Items of OCI	Total
		Capital Reserve (Refer Note 50)	Capital Redemption Reserve	Securities premium account	Debenture Redemption Reserve*	General reserve	Balance in Statement of Profit and Loss	FVTOCI reserve	
For the year ended 31 March 2018									
As at 31st March 2017	**NIL**	**NIL**	**NIL**	**42,200,000**	**NIL**	**NIL**	**(29,961,015)**	**NIL**	**12,238,985**
Net loss for the period	NIL	NIL	NIL	NIL	NIL	NIL	(1,476,845)	NIL	(1,476,845)
Other comprehensive income	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total comprehensive income	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**(1,476,845)**	**NIL**	**(1,476,845)**
Transfer from debenture redemption reserve / general reserve	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
As at 31 March 2018	**NIL**	**NIL**	**NIL**	**42,200,000**	**NIL**	**NIL**	**(31,437,860)**	**NIL**	**10,762,140**
For the year ended 31 March 2017									
As at 31st March 2016	NIL	NIL	NIL	42,200,000	NIL	NIL	(29,678,510)	NIL	12,521,490
Net loss for the period	NIL	NIL	NIL	NIL	NIL	NIL	(282,506)	NIL	(282,506)
Other comprehensive income	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total comprehensive income	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**(282,506)**	**NIL**	**(282,506)**
Transfer from debenture redemption reserve / general reserve	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
As at 31 March 2017	**NIL**	**NIL**	**NIL**	**42,200,000**	**NIL**	**NIL**	**(29,961,015)**	**NIL**	**12,238,985**

As per our report of even date
For V. NAIR & ASSOCIATES
Chartered Accountants
Firm Registration No. 106835W

VENUGOPAL NAIR
Proprietor
Membership No. 039445
Mumbai, April 27, 2018

For and on behalf of the Board
ADA Cellworks Wireless Engineering Private Limited

Milind Bapat
Director

Sanjay Advani
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

	31 March 2018 ₹	31 March 2017 ₹
Operating activities		
Profit before tax	**(1,476,845)**	(221,728)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	**NIL**	NIL
Gain on disposal of property, plant and equipment	**NIL**	NIL
Finance income (including fair value change in financial instruments)	**NIL**	NIL
Finance costs (including fair value change in financial instruments)	**NIL**	NIL
Allowance for credit losses – Trade Receivables	**NIL**	
Allowance for credit losses– Other Receivables	**NIL**	NIL
Working capital adjustments:		
(Increase)/decrease in trade receivables	**NIL**	NIL
(Increase)/decrease in inventories	**NIL**	NIL
(Increase)/decrease in other current and non current assets	**401,908**	396,253
(Increase)/decrease in long term and short term loans and advances	**NIL**	NIL
Increase /(decrease) in trade payables, other current and non current liabilities and provisions	**1,170**	(174,525)
	(1,073,768)	NIL
Income tax paid (including TDS) (net)	**NIL**	NIL
Net cash flows from operating activities	**(1,073,768)**	**NIL**
Investing activities		
Net cash flows from / (used in) investing activities	**NIL**	**NIL**
Financing activities		
Net cash flows from / (used in) financing activities	**NIL**	**NIL**
Net increase / (decrease) in cash and cash equivalents	**(1,073,768)**	**NIL**
Cash and cash equivalents at the beginning of the year	**2,897,312**	2,897,312
Cash and cash equivalents at the end of the year	**1,823,544**	**2,897,312**

(i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS – 7 ' Statement of Cash Flow.

(ii) Figures in brackets indicate outflows.

(iii) Previous year's figures have been regrouped/rearranged/recast wherever necessary to make them camparable with those of current year.

As per our report of even date
For V. NAIR & ASSOCIATES
Chartered Accountants
Firm Registration No. 106835W

VENUGOPAL NAIR
Proprietor
Membership No. 039445
Mumbai, April 27, 2018

For and on behalf of the Board
ADA Cellworks Wireless Engineering Private Limited

Milind Bapat
Director

Sanjay Advani
Director

1. **CORPORATE INFORMATION**

The Company is Private Limited Company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India.The registered office of the Company is located at Global Vision, Electronic Sadan II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai. The Company engaged in providing network services to telecom operators, OEM's and tower companies. The financial statements were authorised for issue in accordance with a resolution passed in the meeting of the Board of directors held on April 27, 2018.

2. **SIGNIFICANT ACCOUNTING POLICIES**

1. **Basis for preparation of Financial Statements:**

The Financial Statements have been prepared on a going concern basis under on accrual basis, in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting standards) (Amendment) Rules, 2016.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 17 on critical accounting estimates, assumptions and judgements).

2. **Current versus non–current classification:**

The Company presents assets and liabilities in the balance sheet based on current/ non–current classification. The Company has presented non–current assets and current assets before equity, non–current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by Ministry of Corporate Affairs (MCA)."

An asset is classified as current when it satisfies any of the following criteria:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non–current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non–current.

Deferred tax assets and liabilities are classified as non–current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Company has considered a period of twelve months for classifying its assets and liabilities as current and non–current.

3. **Fair value measurement:**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non–financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted / Published NAV (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re–assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions (Note – 17)

4. **Revenue recognition:**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the proceeds are being received . Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific revenue recognition policies are as under:

a. Revenue from Turnkey Contracts, which are either Fixed Price or Cost Plus contracts, is recognized based on work completion of activity or achievement of milestone.

b. Revenue from sale of products is recognized upon passing of the title of goods and/or on transfer of significant risk and rewards of ownership thereto.

c. Revenue from Services is recognized on performance of Service as per the contractual terms.

d. Dividend income is recognized when the right to receive dividend is established.

e. Income such as Interest, Rent is recognized as per contractually agreed terms on time proportion basis.

5. Property, plant and equipment :

Tangible Assets are stated at the cost of acquisition less accumulated depreciation and impairment losses, if any. The cost includes purchase price (after deducting trade discounts and rebates), including non–refundable taxes and duties and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss.

Advances paid towards acquisition of fixed assets are disclosed as Capital Advances under Other non–current assets and cost of assets not ready for use before the year–end, is disclosed as capital work in progress.

Depreciation on Fixed Assets is provided to the extent of depreciable amount on Straight Line Method over the useful life of the assets and in the manner prescribed in schedule II to the Companies Act, 2013

An item of property, plant and equipment and any significant part initially recognised 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 (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Assets taken on lease are depreciated as per useful life prescribed in schedule II, over lease period or the estimated useful life of such assets, whichever is lower. The improvements to leasehold assets are depreciated as per useful life prescribed in schedule II, over the lease period, the estimated useful life of the improvements or the balance lease period, whichever is lower.

6. Inventories:

a. Inventories including Work–in–process and stores and spares are valued at the lower of cost and net realizable value.

b. Inventory of Consumables is valued at cost

c. Cost of inventories is generally ascertained on first in first out basis.

Cost includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

7. Impairment of Non–Financial Assets

At each balance sheet, the Company assesses whether there is any indication that any property, plant and equipment and intangible asset may be impaired and if any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

For the purpose of impairment testing, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of profit and loss. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

8. Foreign currencies:

The Company's financial statements are presented in ₹ which is also its functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

Non–monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

9. Employee Benefits:

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by the employees are recognised as an expense during the year when the employees render the services.

Post–Employment Benefits

Defined Contribution Plan

A defined contribution plan is a post–employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plan

The liability in respect of defined benefit plans and other post–employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees 'services.

Re–measurement of defined benefit plans in respect of post–employment and other long term benefits are charged to the other Comprehensive Income.

10. Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss are adjusted to the fair value on initial recognition. Purchase and sale of financial asset are recognised using trade date accounting i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Financial Assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect the contractual cash flows and the contractual terms of the financial asset give rise on the specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category applies to Trade and other receivables, Security deposits, Other advance, Loan and advances to related parties, Unbilled Income, Interest Receivable etc.

Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)

A financial asset is subsequently measured at Fair Value through other Comprehensive Income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company doesnt not have any financial assets which are fair valued through Other Comprehensive Income (FVTOCI).

Financial Assets at Fair Value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss

Equity investments

All equity investments other than investment in Subsidiaries and Associates are measured at fair value, with value changes recognised in Statement of Profit and loss except for those equity investments for which the Company has elected to present the value changes in 'other comprehensive income'

The Company doesnt not have any equity investments which are fair value through Other Comprehensive Income (FVTOCI)

The Company makes such election on an instrument–by–instrument basis. The classification is made on initial recognition and is irrevocable.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model to the following

Financial assets at amortised cost

Financial assets measured at fair value through Profit or Loss Account

The Company follows simplified approach for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risks. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

The Company uses historical cost experience to determine the impairment loss allowance on the portfolio of trade receivables. At every reporting date, the historically observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12–month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12–month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

A. *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on financial liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ loss are not subsequently transferred to Profit and Loss . However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest–bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) contract that also includes a non–derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand–alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non–financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

11. Provision for Current and Deferred Tax:

a. Current Tax: Provision is made for income tax, under the tax payable method, based on the liability as computed after taking credit for allowances, exemptions, and MAT credit entitlement for the year. Adjustments in books are made only after the completion of the assessment. In case of matters under appeal, due to disallowances or otherwise, full provision is made when the Company accepts the said liabilities.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The Company offsets current tax assets and current tax liabilities and presents the same net if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities.

b. Deferred tax: Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit and thereafter a deferred tax asset or deferred tax liability is recorded for temporary differences, namely the differences that originate in one accounting period and reverse in another. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax asset is recognized only 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 utilized. Carrying value of deferred tax asset is adjusted for its appropriateness at each balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets and the deferred tax assets and deferred tax liabilities and presents the same net if the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

c. Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

12. Provisions, Contingent Liabilities and Contingent Assets :

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non–occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised.

However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

13. Borrowing Cost:

a. Borrowing costs, less any income on the temporary investment out of those borrowings, that are directly attributable to acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of the cost of that asset.

   Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

b. Other borrowing costs are recognized as expense in the period in which they are incurred.

14. Leases:

Company as a lessee:

a. Assets taken on lease, under which the lessor effectively retains all the risks and rewards of ownership, are classified as operating lease. Operating lease payments are recognized as expense in the Statement of Profit and Loss on a straight–line basis over the lease term unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue.

b. Assets acquired under leases where all the risks and rewards incidental to ownership are substantially transferred to the Company are classified as Finance leases. Such leases are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

15. Cash and Cash equivalents :

Cash and cash equivalents comprise cash at bank and in hand, cheques in hand and deposits with banks having maturity period less than three months from the date of acquisition, which are subject to an insignificant risk of changes in value

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short–term deposits as defined above net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management policy.

16. Earnings per share

The earnings considered in ascertaining the Company's Earnings Per Share (EPS) is the net profit/ (loss) after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period/year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti–dilutive.

3. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvement	Furniture & fixtures	Office equipments	Computers	Project Equipment / Tool kit	Total of Property, plant and equipment	Capital Work in Progress
	₹	₹	₹	₹	₹	₹	₹
Deemed Cost (Refer Note No 3.1)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
At 31 March 2016							
Additions	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Disposals	NIL	NIL	NIL	NIL	NIL	NIL	NIL
At 31 March 2017	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Additions	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Disposals	NIL	NIL	NIL	NIL	NIL	NIL	NIL
At 31 March 2018	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Depreciation and impairment							
At 31 March 2016	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Depreciation charge for the year	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Disposals	NIL	NIL	NIL	NIL	NIL	NIL	NIL
At 31 March 2017	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Depreciation charge for the year	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Disposals	NIL	NIL	NIL	NIL	NIL	NIL	NIL
At 31 March 2018	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
At 31 March 2018	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
At 31 March 2017	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
At 31 March 2016	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

3.1 For Property, Plant and equipment and Capital work in progress as on 1 April 2015, i.e., its date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed costs.

3.2 In accordance with the Indian Accounting Standard (Ind AS 36) on “Impairment of Assets” the Management carried out an exercise of identifying assets that may have been impaired and on the basis of this review carried out by the Management, there was no impairment loss on Property, plant and equipment during the year ended March 31, 2017.

4 Investments (Non Current)

Particulars	31 March 2018		31 March 2017	
	Numbers	₹	Numbers	₹
Investments at cost (fully paid)				
Trade				
Other				
Investments in Corpxcel Advisory LLP Face Value of Rs. 10/– each)	50000	NIL	50000	NIL
Total of Un–quoted Investments in Equity Shares – Trade	NIL	NIL	NIL	NIL
Total Investments	NIL	NIL	NIL	NIL
Aggregate Amount of unquoted investments	NIL	NIL	NIL	NIL

5. Loans (Non Current)

	31 March 2018	31 March 2017
	₹	₹
Unsecured, Considered good		
Deposits with body corporates and others	**25,000**	25,000
Deposits with government authorities	**NIL**	NIL
Total	**25,000**	**25,000**

6. Trade receivables

	31 March 2018	31 March 2017
	₹	₹
Trade receivables Unsecured,		
considered good	2,206,123	2,206,123
Doubtful	73,162,089	73,162,089
	75,368,212	**75,368,212**
Allowance for credit losses	(73,162,089)	(73,162,089)
	(73,162,089)	**(73,162,089)**
Total	**2,206,123**	**2,206,123**

6.1 The Company has sought the balance confirmations from the customers and has received such confirmations from some customers. In respect of remaining customers, balances are subject to confirmation and appropriate adjustment, if necessary, will be considered in the year of reconciliation.

7. Cash and cash equivalents

	31 March 2018	31 March 2017
	₹	₹
Balances with banks		
In current accounts	823,544	2,897,312
Cheque in Hand	1,000,000	NIL
	1,823,544	**2,897,312**

8. Others (Current)

	31 March 2018	31 March 2017
	₹	₹
Advance to Suppliers	149,500,000	149,500,000
Total	**149,500,000**	**149,500,000**
Allowance for credit losses		
Advance to Suppliers	(149,500,000)	(149,500,000)
	(149,500,000)	**(149,500,000)**
Total	NIL	NIL

9. Current Tax Assets (Net)

	31 March 2018	31 March 2017
	₹	₹
Advance Income Tax & Tax deducted at source (Net of provision)	9,939,766	9,939,766
Total	**9,939,766**	**9,939,766**

10. Other current assets

	31 March 2018	31 March 2017
	₹	₹
Advance to Suppliers	NIL	401,908
Less: Allowance for credit losses	NIL	NIL
	NIL	401,908
Total	**NIL**	**401,908**

11. Share Capital

Authorised Share Capital

	Equity shares	
	Nos	**₹**
At 31 March 2017	250,000	2,500,000
Increase / (decrease) during the year		
At 31 March 2018	**250,000**	**2,500,000**

11.1 Terms/ rights attached to equity shares

I) The Company has only one class of equity shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.

II) Dividends, if any, is declared and paid in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. However, no dividend is / was declared on the equity shares for the year ended March 31, 2017.

III) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

VI) 90,000 (90,000) Equity Shares are held by GTL Limited, the Holding Company, which has been pledged with the IDBI Trusteeship Services Limited, trustees to the lenders of GTL LImited, under Corporate Debt Restructuring mechanism.

11.2 Issued equity capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	**No.**	**₹**
At 31 March 2017	90,000	900,000
Changes during the year		
At 31 March 2018	**90,000**	**900,000**

11.3 Details of shareholders holding more than 5% shares in the company

Name of the shareholder	**As at 31 March 2018**		**As at 31 March 2017**	
	No. in	**% holding in the class**	**No. in**	**% holding in the class**
Equity Shares				
GTL Limited, the Holding Company	**90,000**	**100%**	90,000	100%

12. Trade payables

	31 March 2018	31 March 2017
	₹	₹
Trade payables	NIL	NIL
Trade payables to related parties (refer note 23.1)	NIL	NIL
	NIL	**NIL**

12.1 The Company has sought the balance confirmations from the trade payable and has received such confirmations from some trade payable. In respect of remaining trade payable, balances are subject to confirmation and appropriate adjustment, if necessary, will be considered in the year of reconciliation.

13. Other financial liabilities

	31 March 2018 ₹	31 March 2017 ₹
Expenses Creditors	**48,912**	NIL
Accrued expenses	**50,000**	125,000
	98,912	**125,000**

14. Other current liabilities

	31 March 2018 ₹	31 March 2017 ₹
Withholding and other taxes payable	**27,257**	NIL
	27,257	NIL

15. Other expenses

	31 March 2018 ₹	31 March 2017 ₹
Legal and Professional Fees	**1,420,010**	96,728
Auditor's Remuneration	**50,000**	125,000
Allowance for credit losses – Trade Receivables	**NIL**	NIL
Other Expenses	**6,835**	NIL
	1,476,845	**221,728**

15.1 Payments to the auditor:

	31 March 2018 ₹	31 March 2017 ₹
As auditor		
Audit fee	**50,000**	125,000
Tax audit fee	**NIL**	NIL
VAT Audit Fees	**NIL**	NIL
In other capacity:		
Other services (certification fees)	**NIL**	NIL
Reimbursement of expenses	**NIL**	NIL
	50,000.00	125,000.00

16. Earnings per share (EPS)

	31 March 2018 ₹	31 March 2017 ₹
Loss after tax :		
Continuing operations	**(1,476,845)**	(282,506)
Loss attributable to equity holders of continuing operations for basic earnings	**(1,476,845)**	(282,506)
Loss attributable to equity holders of discontinued operations for basic earnings	**NIL**	NIL
Loss attributable to equity holders total operations for basic earnings	**(1,476,845)**	(282,506)
Weighted average number of Equity shares for basic EPS	**90,000**	90,000
Weighted average earnings per share (basic and diluted) (continuing operations)	**(16.41)**	(3.14)
Weighted average earnings per share (basic and diluted) (discontinued operations)	**NIL**	NIL
Weighted average earnings per share (basic and diluted) (total operations)	**(16.41)**	(31.39)

16.1. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

16.2. There were no potentially dilutive equity shares which would have been outstanding as at the year end

17. Significant accounting judgements, estimates and assumptions

The preparation of the Company's Standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgement

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Standalone financial statements:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The Management believes that the judgments and estimates used in preparation of financial statement are prudent and reasonable.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long–term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 42 for further disclosures.

Allowances for credit loss on Trade Receivable , Advance to supplier and other receivable

The Provision for allowances for credit loss for Trade Receivable , Advance to supplier and other receivable are based on assumptions about the risk of defaults and expected credit loss. The Company uses judgment in making these assumption and selecting the inputs to the calculation of provision for allowance based on the Company past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Provisions for impairment loss on Investment

Provisions for impairment loss on Investment is based on evaluation of financial position of investee companies to meet their obligations for honouring their committements towards the investment held by the Company.

18. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments

	Carrying value		Fair value	
	March–18 ₹	March–17 ₹	March–18 ₹	March–17 ₹
Financial assets				
FVTPL financial investments				
Investment in Equity Shares – Others				
Investments in Corpxcel Advisory LLP	NIL	NIL	NIL	NIL
Financial assets designated at amortised cost				
Non–current assets				
Loans	25,000	25,000	25,000	25,000
Current assets				
Trade receivables	NIL	NIL	NIL	NIL
Cash and cash equivalents	1,823,544	2,897,312	1,823,544	2,897,312
Total	**1,848,544**	**2,922,312**	**1,848,544**	**2,922,312**
Financial liabilities designated at amortised cost				
Trade payables	NIL	NIL	NIL	NIL
Other Financial Liabilities	98,912	125,000	98,912	125,000
Total	**98,912**	**125,000**	**98,912**	**125,000**

19. Financial risk management objectives and policies

The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to manage finance for the Company's operations. The Company's principal financial assets includes investments, trade and other receivables, supplier advance and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by Risk Management Group (RMG), Investment committee and Resource committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Management Group, Investment committee and Resource committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Audit Committee of the Board and the Board of Directors review and monitor risk management and mitigation plans. The financial risks are summarised below.

19.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

19.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of financial instrument will fluctuate because of changes in market interest rates. However the Company does not carry any loan liability, therefore the Company is not exposed to significant interest rate risk.

19.3 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not carry any Foreign currency Asset and liability therefore the Company is not exposed to significant Foreign currency risk

19.4 Equity price risk

The Company's investments are in unlisted entities. All the investments of the Company are trade and strategic investments and therefore are not considered to be exposed or susceptible to market risk.

19.5 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and other financial assets.

Trade receivables

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits and defined in accordance with customer assessment. Outstanding customer receivables are regularly monitored.

The Company follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring lifetime ECL allowance for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances . Individual trade receivables are written off when management deems them not to be collectible. The Company does not hold any collateral as security. The contractually agreed terms effectively manage the concentration risk.

Financial Assets

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which its balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

19.6 Liquidity risk

Liquidity risk is that the Company will not be able to settle or meet its obligation on time or at reasonable price. Company's principal sources of liquidity are cash flows generated from its operations.

The Company continues to take various measures such as cost optimisation, improving operating efficiency to increase Company's operating results and cash flows. Further the Company has made a proposal for a negotiated settlement of debts which has been agreed in principle by all set of lenders. The management is of the view that upon the implementation of the Company's negotiated settlement proposal, the Company would be in a position to meet its liabilities and continue its operations.

20. Segment Reporting

The Company is engaged in one line of business activity, i.e. Network Planning and Designing and hence, it has only one reportable segment.

21. Related Party Disclosures

There are no transaction with related party during the financial year.

22. Going Concern

The holding company's business operation in " Network Services", and hence the Company expects to have business opportunity in telecom sector. The company current assets are higher than current liabilities and therefore will be able to realised the asset & discharge the liabilities . in view of these the company has prepared financials on "going concern basis" .

23. The previous year figures, wherever necessary, have been regrouped/rearranged/recast to make them comparable with those of the current year.

As per our report of even date	**For and on behalf of the Board**	
For V. NAIR & ASSOCIATES	**ADA Cellworks Wireless Engineering Private Limited**	
Chartered Accountants		
Firm Registration No. 106835W		
VENUGOPAL NAIR	Milind Bapat	Sanjay Advani
Proprietor	Director	Director
Membership No. 039445		
Mumbai, April 27, 2018		

COMMENTARY OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2017

The directors present the audited financial statements of **INTERNATIONAL GLOBAL TELE–SYSTEMS LIMITED** (the "Company") for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activities of the Company are to provide telecommunication network services and trading in telecommunication products.

RESULTS

The results for the year are shown in the statement of comprehensive income and related notes.

DIRECTORS

The directors remained in office for the year under review.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors have the following responsibilities in the preparation of financial statements of a

Company:

1. select suitable accounting policies and apply them consistently,
2. make judgements and estimates that are reasonable and prudent, and
3. state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

GOING CONCERN

In last few years, the Company has incurred cash losses resulting in erosion of its entire networth. The Company's current liabilities are higher than its current assets.

The Company is in the process of settlement of its debts. The management is of the view that upon settlement of its debts , the Company, which has been in the service industry since its inception, would be in a position to continue with its operations.

In view of the above, the Company continuous to prepare its accounts on Going Concern basis.

AUDITORS

The auditors, Accxperts Business Solutions Pte. Ltd., Singapore, have indicated their willingness to continue in office until the next Annual Meeting.

For **International Global Tele–Systems Limited**
Director

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL GLOBAL TELESYSTEMS LIMITED

We have carried out a special purpose audit on the accompanying financial statements of INTERNATIONAL GLOBAL TELE–SYSTEMS LIMITED (the "Company"), which comprise of the statement of financial position as at 31 December 2017, 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 as set out in pages 5 to 8, and a summary of significant accounting policies and other explanatory information as set out on pages 9 to 26.

Responsibilities of Management and Directors' for the financial statements

The management and directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and for designing, implementing and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and they are recorded as necessary to enable the preparation of financial statement that are free form material mis–statements, whether due to fraud or error. They are also responsible for keeping proper accounting records and selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, management and directors are responsible for assessing the company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so, The directors' responsibilities include overseeing the company's financial reporting process.

Auditors' responsibility

Our objectives are to obtain reasonable assurance about whether the financial Statements as a whole are free from material mis–statement,, whether due to fraud or error, and to issue a report that includes our opinion. Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with management requirements as this is a special audit. reasonable assurance is high level of assurance, but it is not a guarantee that an audit conducted in accordance with provision of IFRS will always detect a misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could be reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The auditors consider internal control relevant to the Company'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 Company's internal control. An audit also includes evaluating the appropriateness of the accounting estimates made by the directors, 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 audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2017 and of its financial performance and cash flows for the year then ended.

Emphasis of matters

Inherent uncertainty regarding going concern

As explained in Note 2(ii), the directors state the going concern basis is appropriate in the preparation of the financial statements on the basis that the Company can continue with its business operations once it is able to negotiate a one–time settlement proposal with the banks which has been made by them. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Other Matters

This report is made solely for the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in our auditors' report and for no other purpose. We do not accept or assume responsibility to anyone other than the Company our audit work, for this report, or for the opinion we have formed. In forming our opinion, we report as follows:

• We have no relationship with, or any interest in, the Company other than in our capacity as auditors;

• We have obtained all the information and explanations that we 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.

Priti Lakhpati

Accxperts Business Solutions Pte Ltd

Date: 21 March, 2018

Chartered Accountants

BALANCE SHEET AS AT 31 DECEMBER 2017

	Notes	As at 31 December 2017	As at 31 December 2016	As at 31 December 2017	As at 31 December 2016
		INR crores	INR crores	USD	USD
Assets					
Financial assets					
Investments	3	–	–	–	–
Other non–current assets	4	105.41	111.94	16,485,215	16,485,215
		105.41	**111.94**	**16,485,215**	**16,485,215**
Current assets					
Financial assets					
Trade receivables	5	–	–	–	–
Cash and cash equivalents	6	–	–	–	–
Other receivables	7	–	–	–	–
Other current assets	8	2.36	2.49	366,800	366,800
		2.36	**2.49**	**366,800**	**366,800**
Assets classified as held for sale					
		2.36	2.49	366,800	366,800
Total Assets		**107.77**	**114.43**	**16,852,015**	**16,852,015**
Equity and liabilities					
Equity					
Equity Share Capital	9	458.89	487.30	71,762,615	71,762,615
Other Equity	10	(1,067.94)	(1,083.00)	(167,010,407)	(159,487,165)
Total Equity		**(609.05)**	**(595.69)**	**(95,247,792)**	**(87,724,550)**
Current liabilities:					
Financial liabilities					
Trade payables	11	218.78	232.20	34,214,306	34,194,739
Other financial liabilities	12	498.04	477.93	77,885,501	70,381,826
		716.82	**710.13**	**112,099,807**	**104,576,565**
Total liabilities		716.82	710.13	112,099,807	104,576,565
Total equity and liabilities		**107.77**	**114.43**	**16,852,015**	**16,852,015**

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST DECEMBER, 2017

	USD	Year ended 31st Dec., 2017 INR crores	INR crores Year ended 31st Dec., 2016 INR crores	Year ended 31st Dec., 2017 USD	USD Year ended 31st Dec., 2016 USD
Continuing operations					
Revenue from operations		**–**	–	**–**	–
Other income	13	**–**	2.48	**–**	385,440
TOTAL INCOME		**–**	2.48	**–**	385,440
EXPENSES					
Finance costs	14	**48.35**	42.48	**7,503,675**	6,593,264
Other expenses	15	**0.13**	129.01	**19,567**	20,021,640
TOTAL EXPENSES		**48.48**	171.49	**7,523,242**	26,614,904
Profit/(loss) before exceptional items and tax from continuing operations		**(48.48)**	(169.01)	**(7,523,242)**	(26,229,464)
Exceptional items					
		(48.48)	(169.01)	**(7,523,242)**	(26,229,464)
Tax expenses					
Profit/(loss) before tax from continuing operations					
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**(48.48)**	(169.01)	**(7,523,242)**	(26,229,464)
Discontinued operations:					
Profit/(loss) for the year		**(48.48)**	(169.01)	**(7,523,242)**	(26,229,464)
Other Comprehensive Income					
Total Comprehensive Income for the period, net of tax		**(48.48)**	(169.01)	**(7,523,242)**	(26,229,464)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

a. Share Capital:

Shares of USD 1 each issued, subscribed and fully paid	Nos	USD	INR crores
At 1 January 2016	71,762,615	71,762,615	476.68
Issue of share capital (Note 17)	–	–	–
At 31 December 2016	71,762,615	71,762,615	487.30
Issue of share capital (Note 17)	–	–	–
At 31 December 2017	**71,762,615**	**71,762,615**	**458.89**

b. Other Equity:

For the year ended 31 December 2017

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)		
	INR crores	INR crores	INR crores	INR crores	INR crores	INR crores	INR crores	INR crores	INR crores	INR crores
As at 31st December 2016	–	–	–	–	–	–	(1,083.00)	–	(1,083)	(159,487,165)
Net Profit for the period						(48.48)	(48.48)		(97)	(7,523,242)
Foreign currency translation effects							20.36		20	
Total comprehensive income	–	–	–	–	–	(48)	(28.12)	–	(77)	(7,523,242)
Transfer to Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–	–
							43.18			
As at 31 December 2017	**–**	**–**	**–**	**–**	**–**	**(48)**	**(1,067.94)**	**–**	**(1,160)**	**(167,010,407)**

For the year ended 31 December 2016

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)		
	INR crores	INR crores	INR crores	INR crores	INR crores	INR crores	INR crores	INR crores	INR crores	INR crores
As at 1st January 2016	–	–	–	–	–	–	(885.82)	–	(886)	(133,257,701)
Net Profit for the period							(177.48)		(177)	(26,229,464)
Foreign currency translation effects							0.66		1	
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**(176.82)**	**–**	**(177)**	**(26,229,464)**
Transfer to Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–	–
							(20.36)			
As at 31 December 2016	**–**	**–**	**–**	**–**	**–**	**–**	**(1,083.00)**	**–**	**(1,063)**	**(159,487,165)**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	31 December 2017	31 December 2016	31 December 2017	31 December 2016
		INR crores	INR crores	USD	USD
Operating activities					
Profit before tax from continuing operations		**(169.01)**	(169.01)	**(7,523,241.98)**	(26,229,464.00)
Profit/(loss) before tax from discontinued operations					
Profit before tax		**(169.01)**	(169.01)	**(7,523,241.98)**	(26,229,464.00)
Adjustments to reconcile profit before tax to net cash flows:					
Impairment losses		**128.87**	128.87	**–**	20,000,000.00
Liabilities / provisions no longer required written back		**(2.48)**	(2.48)	**–**	(385,440.00)
Working capital adjustments:					
Increase /(decrease) in trade payables, other current and non current liabilities and provisions		**42.48**	42.48	**7,523,241.98**	6,593,129.00
		(0.14)	(0.14)	**–**	(21,775.00)
Income tax paid (including TDS) (net)					
Net cash flows from operating activities		**(0.14)**	**(0.14)**	**–**	**(21,775.00)**
Investing activities					
Proceeds from sale of property, plant and equipment					
Purchase of property, plant and equipment (including CWIP)					
Interest received (finance income)					
Net cash flows from / (used in) investing activities		**–**	–	**–**	–
Financing activities					
Funds received from related companies		**0.14**	0.14		21,640.00
Dividend distribution tax					
Net cash flows from / (used in) financing activities		**0.14**	**0.14**	**–**	**21,640.00**
Net increase / (decrease) in cash and cash equivalents		**(0.00)**	**(0.00)**	**–**	**(135.00)**
Cash and cash equivalents at the beginning of the year		**0.00**	**0.00**	**–**	**135.00**
Cash and cash equivalents at the end		**–**	**–**	**–**	**–**

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AND AS AT 31 DECEMBER 2017

Note 3: Financial assets

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR crores	INR crores	USD	USD
Investments				
Investments at cost (fully paid)				
Investment in Preference Shares – Others				
3.5% Preference Shares of City Windsor Ltd of USD 1 each	–	135.81	–	20,000,000
Less: Diminution in value of investments	–	(135.81)	–	(20,000,000)
Total Investments	–	–	–	–
Aggregate value of unquoted investments	–	–	–	–
Total financial assets	–	–	–	–

Note 4: Other non–current assets

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR crores	INR crores	USD	USD
Advance to Suppliers	**105.41**	680.26	**16,485,215**	100,177,633
Less: Provision for doubtful advances		(568.31)	–	(83,692,418)
	105.41	**111.94**	**16,485,215**	**16,485,215**

Note 5: Trade and other receivables

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR crores	INR crores	USD	USD
Trade receivables	–	458.10	–	67,461,673
Total Trade and other receivables	–	**458.10**	–	**67,461,673**
Trade receivables				
Secured, considered good		–		
Doubtful		458.10		67,461,673
	–	**458.10**	–	**67,461,673**
Impairment Allowance (allowance for bad and doubtful debts)				
Doubtful	–	(458.10)		(67,461,673)
	–	**(458.10)**	–	**(67,461,673)**
Total trade receivables	–	–	–	–

Trade receivables are non–interest bearing and are generally on terms of 30 to 90 days.

Note 6: Cash and cash equivalents

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR crores	INR crores	USD	USD
Balances with banks				
In current accounts	–	–		–
In deposit accounts				
Cheques on hand				
Cash on hand				
Cash at bank and short term deposits attributable to discontinued operations (note XX)				
	–	–	–	–

The Company has pledged a part of its short–term deposits to fulfil collateral requirements. Refer to Note 48 for further details.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AND AS AT 31 DECEMBER 2017

Note 7: Other receivables

	31 December 2017 INR crores	31 December 2016 INR crores	31 December 2017 USD	31 December 2016 USD
Interest receivable		–		
Share application monies	–	63.95	–	10,000,000
Less: allowance for doubtful advances	–	(63.95)		(10,000,000)
Other loans and advances				
Considered good				
Considered doubtful				
Less: allowance for doubtful advances				
	–	**–**	**–**	**–**

Note 8: Other current assets

	31 December 2017 INR crores	31 December 2016 INR crores	31 December 2017 USD	31 December 2016 USD
Cenvat credit				
Prepaid expenses				
Deposit towards negotiated settlement – lenders	**2.36**	2.49	**366,800**	366,800
	2.36	**2.49**	**366,800**	**366,800**

Note 9: Share Capital

Authorised Share Capital

	Equity shares		Preference shares		Preference shares	
	Nos.	INR crores	Nos.	INR crores	Nos.	USD
At 1 January 2016	2,762,615	18	69,000,000	458.33	69,000,000	69,000,000.00
Increase / (decrease) during the year	–	0	–	10.21	–	–
At 31 December 2016	2,762,615	19	69,000,000	468.54	69,000,000	69,000,000.00
Increase / (decrease) during the year	–	(1)	–	(27.32)	–	–
At 31 December 2017	**2,762,615**	**18**	**69,000,000**	**441.22**	**69,000,000**	**69,000,000.00**

Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of USD 1 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued equity capital

Equity shares of USD 1 each issued, subscribed and fully paid

	No.	INR crores	No.	USD
At 1 January 2016	2,762,615	18.35	2,762,615	2,762,615.00
Changes during the year	–	–	–	–
At 31 December 2016	2,762,615	18.76	2,762,615	2,762,615.00
Changes during the year	–	–	–	–
At 31 December 2017	**2,762,615**	**17.67**	**2,762,615**	**2,762,615.00**

Note 10: Other equity

Translation Reserve

	INR crores	USD
At 1 January 2016	0.66	–
At 31 December 2016	(20.36)	–
At 31 December 2017	**43.18**	**–**

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AND AS AT 31 DECEMBER 2017

Balance in Statement of Profit and Loss

	INR crores	USD
At 1 January 2016	(885.82)	(133,257,701)
Add: Profit during the year	(176.82)	(26,229,464)
Less: Transfer to debenture redemption reserve		
At 31 December 2016	(1,062.64)	(159,487,165)
Add: Profit during the year	(48.48)	(7,523,241.98)
Less: Transfer to debenture redemption reserve		
At 31 December 2017	**(1,111.12)**	**(167,010,407)**

Total other equity

	INR crores	USD
At 1 January 2016	(885.16)	(133,257,701)
At 31 December 2016	(1,083.00)	(159,487,165)
At 31 December 2017	**(1,067.94)**	**(167,010,407)**

Note 11: Trade payables

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR crores	INR crores	USD	USD
Trade payables				
Trade payables to related parties	**218.78**	232.20	**34,214,306**	34,194,739
	218.78	**232.20**	**34,194,739**	**34,194,739**

Note 12: Other financial liabilities

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR crores	INR crores	USD	USD
Current maturities of long term debt				
Credit facilities from bank – due	**165.87**	176.15	**25,940,050**	25,940,050
Loan from bank – due	**134.08**	142.39	**20,968,775**	20,968,775
Interest accrued and due on borrowings	**198.03**	159.34	**30,968,676**	23,465,001
Expense Creditors	**0.05**	0.05	**8,000**	8,000
	498.04	**477.93**	**77,885,501**	**70,381,826**

Note 13: Other income

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR crores	INR crores	USD	USD
Creditors written back		2.48	–	385,440
	–	**2.48**	**–**	**385,440**

Note 14: Finance costs

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR crores	INR crores	USD	USD
Interest				
– Others	**48.35**	42.48	**7,503,675**	6,593,264
Total finance cost	**48.35**	**42.48**	**7,503,675**	**6,593,264**

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AND AS AT 31 DECEMBER 2017

Note 15: Other expenses

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR crores	INR crores	USD	USD
Provision for bad and doubtful debts/advances		64.44	–	10,000,000
Provision for diminution in value (share application monies)		64.44	–	10,000,000
Provision for diminution in value of investments		–	–	
Bank charges		–		
Legal and professional charges	**0.07**	0.09	**11,487**	13,640
Audit fees	**0.05**	0.05	**8 ,080**	8,000
	0.13	**129.01**	**19,567**	**20,021,640**

Payments to the auditor:

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR crores	INR crores	USD	USD
As auditor				
Audit fee	**0.05**	**0.05**	**8,080**	**8,000**

In other capacity:

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR crores	INR crores	USD	USD
Taxation matters				
Company law matters	–	–	–	–
Other services (certification fees)	–	–	–	–
Reimbursement of expenses	–	–	–	–
	0.05	**0.05**	**8,080.00**	**8,000.00**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

The Company was incorporated in Mauritius on 10 July 1995 as a private company with limited liability. The Company held a Category 1 Global Business License and after conversion of the status on 16 February 2010, it now holds in Category 2 Global Business License issued by the Financial Services Commission. The Company's registered office is at 5th Floor, Barkly Wharf, Le Caudan Waterfront, Port Louis, Mauritius.

The principal activities of the Company are to provide telecommunication network services and also the trading of telecommunication products.

The financial statements of the Company are expressed in the United States dollar ("USD"). The Company's functional currency is the USD, the currency of the primary economic environment in which it operates.

2. Basis of preparation of financial statements

(i) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), which comprise of standard and interpretations approved by the International Accounting Standards Boards (IASB), and International Accounting Standards and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) approved by the International Accounting Standards Committee (IASC) that remain in effect. The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that could affect the reported amounts and disclosures in the financial statements. Actual result may differ from those estimates.

(ii) Basis of preparation

In the last few years, the Company has incurred cash losses, resulting in the erosion of its entire net worth. The Company's liabilities are higher than its assets.

The Company has made a proposal for a negotiated settlement of its debts which is still under discussion with its lenders. The management is of the view that upon the acceptance and the implementation of the Company's negotiated settlement proposal, the Company would be in a position to meet its liabilities and continue its operations. The Company has been in the service industry since its inception. It is considered to operational in the view of the management since the capabilities and capacity to sustain business still exits. In the view of the above, the Company continues to prepare the results on a going concern basis.

(iii) Basis of accounting

There are no statutory requirements for the Company to have an audit carried out on its financial statements. The financial statements have been prepared and audited solely for the purpose of consolidation by the holding company.

(iv) Changes in accounting policies

(a) Adoption of new and revised International Financial Reporting Standards (IFRS)

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting year beginning on or after 1 January 2016. The accounting policies are consistent with those of the previous financial year, except for the following new and amended IFRS:

Amendments to IAS 1 – The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in other comprehensive income section of a statement of profit and loss and other comprehensive income, (a) the share of other comprehensive income of associates and joint ventures accounted for using the equity method that will not be reclassifed subsequently to profit or loss; and (b) the share of other comprehensive income of associates and joint ventures accounted for using the hat will not be reclassified subsequently to profit and loss.

An entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material. The amendments to IAS 1 have been applied retrospectively, and hence the presentation of items of the other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

(b) New standards, amendments and interpretations issued and adopted with no effect on financial statements

IFRS 5, 'Non–Current Assets Held for Sale and Discontinued Operations

IFRS 5, 'Non–Current Assets Held for Sale and Discontinued Operations introduces specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held for distribution accounting is discontinued.

IFRS 7, 'Financial Instruments Disclosures (with consequential amendments to IFRS 1)

IFRS 7, 'Financial Instruments Disclosures (with consequential amendments to IFRS 1) addresses amendments pertaining

(i) provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets; and

(ii) clarify that the offsetting disclosures are not explicitly required for all interim periods.

However, the disclosures may need to be included in the condensed interim financial statements to company with IAS 34 Interim Financial Reporting.

IFRS 14, 'Regulatory Deferral Accounts'

IFRS 14 specifies the accounting for regulatory deferral account balances that arise from rate–regulated activities. The Standard is available only to first–time adopters of IFRSs who recognized regulatory deferral account balances under their previous GAAP. IFRS 14 permits eligible first–time adopters of IFRSs to continue their previous GAAP rate– regulated accounting policies, with limited changes, and requires separate presentation of regulatory deferral account balances in the statement of financial position and statement of profit and loss and other comprehensive income. Disclosures are also required to identify the nature of, and risks associated with, the form of rate regulation that has given rise to the recognition of regulatory deferral account balances.

The company has not applied the following new and revised IFRS that has been issued but is not yet effective:

IFRS9, 'Financial instruments'

IFRS 9, 'Financial instruments", address the classification, measurement and recognition of financial assets and financial liabilities, IFRS 9 was issued in November, 2009, October, 2010, July, 2014. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories namely those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the Company's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard remains most of the IAS 39 requirements. The main change is that, in case

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

where the fair value option is taken for financial liabilities, the part of a fair value change due to a Company's own credit risk is recorded in other comprehensive income rather than in the profit or loss, unless this creates an accounting mismatch. The amendment does not result in any significant effect to the Company's financial statement during the year.

Key requirement of IFRS 9:

All recognized financial assets that are within the scope of IAS 39 Financial Instruments Recognition and Measurement are required to be measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objectives is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized costs at the end of subsequent account periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods.

In addition, under IFRS 9. Entities may make an irrevocable election to present subsequent changes in fair value of an equity investment (that is not held for trading), in other comprehensive income, with only dividend income generally recognized in profit or loss. With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributed to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effect of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

The directors of the Company anticipate that the application of IFRS 9 in the future may have a significant impact on accounts reported in respect of the Company's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until a detailed review has been completed.

3. Summary of accounting policies

The principal accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the revenue and costs, if applicable, can be measured reliably. Revenue is recognized in the statement of comprehensive income as follows:

Revenue is recognized when the services are rendered to the customers which are taken to be the point in time when the customer has accepted the service and the related risks and reward of ownership. Revenue excludes goods and service or other sales taxes and is after deduction of any trade discounts and sales tax.

Dividend income is recognized when the right to receive the payment is established. Interest income is accounted for on an accrual basis.

(b) Expenses recognition

All expenses of the Company are accounted for in the profit or loss on an accrual basis.

(c) Foreign currency transaction

(i) Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which it operates ('the functional currency'). The financial statements are presented in USD, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the financial currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re–measured. Foreign exchange gains and losses resulting from the settlement of such transaction and for the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in the profit or loss within 'other (losses)/gains net'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available–for–sale are analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in other comprehensive income, and other changes in carrying amount are recognized in equity.

Translation differences on non–monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in other comprehensive income as part of the fair value gain or loss. Translation differences on non–monetary financial assets are included in equity under 'Translation reserve'.

(d) Financial instruments

Financial instruments are recognized on the statement of financial position when the Company has become a party to the contractual provisions of the instrument.

(e) Deposits

Deposits represent advances made for the purchase of capital equipment and are recognized at cost.

(f) Investment at fair values

Investments that the Company intends to hold for an indefinite period of time are classified as investment at fair values. These are included in non–current assets unless management has expressed its intention of holding the investment for less than twelve months form the reporting date, in which case they are included in current assets.

Management decides the appropriate classification of its investments at the time of the purchase and re–evaluates the classification on a regular basis.

All purchases and sales of investments are recognized on the trade date, which is the date that the Company commits to purchase or sell the assets. Cost of purchase includes transaction costs. From time to time, the directors may adjust the basis of the valuation of these investments if they consider such adjustments are required to reflect more fairly the value of the investments.

(g) Inventories

Inventories are valued at cost. Cost includes freight and handling charges and is computed on a first in first out basis. Provision is made, where necessary, for obsolete, slow moving and defective stock.

(h) Trade and other receivables

Trade and other receivables are stated at the principal amount outstanding, net of any allowance of uncollectable amount.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

(i) Related parties

Related parties are individuals and companies where the individuals or companies have the ability, directly or indirectly to control the other party or exercise significant influence over the other party in making financial or operating decisions.

(j) Cash and cash equivalents

Cash comprise of cash at banks. Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

(k) Equity

Stated capital is determined using the nominal values of shares that have been disclosed in the profit or loss.

(l) Trade and other payables

Trade payables are obligations to pay for services that have been required in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business (if longer). If not, they are presented as non–current liabilities.

Trade payables are recognized at the invoiced amount of goods and services received by the company.

(m) Borrowings

Borrowings have been stated at net amount received and include all borrowing costs.

4. Critical accounting estimates and judgements

The following are the management judgments made in applying the accounting policies of the Company that have the most significant effects on the financial statements. Critical estimation uncertainties are described in Note 5.

(i) Determination of functional currency

The determination of financial currency of the Company is critical since recording of transactions and exchange differences arising there are dependent on the functional currency selected. As described in note 3c, the directors have considered those factors therein and have determined that the functional currency of the Company is the United States dollar (USD)

(ii) Relevance of the going concern assertion

The Company's activities have been curtailed significantly during the current period due to the adverse economic situation prevailing in the telecommunication sector. The Company, which has been in the service industry since its inception, would be in a position to continue with its business operations. Accordingly, the financial statements have been prepared on a going concern basis.

(iii) Impairment of financial assets

Management assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets it deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial assets that can be reliably estimated. Due to downturn in the telecom industry the company has decided to stall its investment in assets and existing assets are not having economic useful life. Therefore adequate provision has been made for impairment of the said assets by the Company.

(iv) Inventories

The items held in stock are exclusively for projects identified by the Company but the projects have not fructified. Over the years, due to changes in technology, obsolescence and based on its expected realizable value, the Company has fully provided for diminution in value of inventory.

5. Estimation uncertainty

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual result may differ from the judgments, estimates and assumptions made by management and will seldom equal the estimated results.

6. Advances on project

The Company has derived the fair value of the advances and has impaired the same in the previous year based on expected realization.

7. Advance paid

The amount of US$ 366,800 has been paid last year to Bank of Baroda by depositing into the escrow account for making a request to the bank for one time settlement of the loan amounts due to the bank.

8. Amount due to related companies

	2017	2016
	USD	USD
Amount due to related companies	34,214,306	34,194,740

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

9. Share capital

	2017	2016
	USD	USD
Issued and fully paid:		
2,762,615 ordinary shares of USD 1 each	2,762,615	2,762,615
Cumulative Redeemable Preference shares (69,000,000 of USD 1 each)	69,000,000	69,000,000
	71,762,615	71,762,615

10. Trade and other payables

(a) Non–current liabilities

	2017	2016
	USD	USD
Interest payable to banks	–	–
Sundry Creditors	–	–
	–	–

(b) Current liabilities

	2017	2016
	USD	USD
Interest payable to banks	**30,968,676**	23,465,001
Accruals	**8,000**	5,000
	30,976,676	23,473,001

11. Borrowings

(a) Bank Loan:

This represents bank loan amounting to USD 20,968,775 (USD 20,968,775) received by the Company from Bank of Baroda, Dubai. The loan is partly secured by Corporate Guarantee from the holding Company GTL Limited. The Loan is due and and hence classified under Current Liabilities in the Statement of Financial Position.

(b) Bank credit facilities:

This represents credit facilities amounting to USD 25,940,050 (USD 25,940,050) availed by the Company from State Bank of India, Mauritius. The Company had not made full repayment in respect of the availed facility on the agreed due dates as one of its major client – 'the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

debtor' did not honour its commitment for the settlement of amount due to the Company on agreed dates. The Credit facility proceeds were covered by an insurance company with the underlying policy assigned in favour of the said Bank as security for the facility availed of. The insurance company had also not settled the claim.

12. Financial instruments

Financial risk management objectives and policies

Fair values

The Company's financial assets and liabilities include advances on projects, investment, trade and other receivables, share application monies, cash and cash equivalents, trade and other payables, borrowings and amounts due to related companies. The carrying amounts of these assets and liabilities approximate their fair values.

The Company's activities expose it to a variety of financial risks, including;

- Credit risk;
- Interest rate risk;
- Liquidity risk; and
- Currency risk

A description of the significant risk factors is given together with the risk management policies applicable.

(i) Credit risk

The credit risk is primarily attributable to its receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and the current economic environment.

(ii) Interest rate risk

The Company borrows at fixed interest rates. The fluctuations in the rates would not have any material impact on its financial position and cash flows.

(iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Company aims at maintaining flexibility in funding by keeping reliable credit lines available. The Company is taking appropriate steps to realize its current assets to service the borrowings.

The Company has contractual maturities which are summarized below.

31 December, 2017	Within 1 Year	After more than 1 year
	USD	USD
Credit Facility	**25,940,050**	–
Borrowings	**20,968,775**	–
Interest accrued on borrowings	**30,968,676**	–
Trade and other payables	**8,000**	–
Amount due in related companies	**34,214,306**	–
	112,099,807	–

31 December, 2016	Within 1 Year	After more than1 year
	USD	USD
Credit Facility	25,940,050	–
Borrowings	20,968,775	–
Interest accrued on borrowings	23,465,001	–
Trade and other payables	5,000	–
Amount due in related companies	34,194,740	–
	104,575,565	–

(iv) Currency risk

The Company trade only in its functional currency that is, in USD and is not exposed to currency risk.

Cash flow interest rate 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's income and operating cash flows are substantially independent of changes in interest rates. The Company's only significant interest earning financial asset is cash and cash equivalents. Interest income from cash at bank may fluctuate in amount, in particular due to changes in market interest rates.

The table below analyses the Company's interest rate risk exposure in terms of the remaining period to the next contractual repricing date or to the maturity date, whichever is the earlier. The floating rate column represents the financial assets and liabilities which have floating rate of interest that do not reprice at set date, but rather reprice whenever the underlying interest rate index changes.

31 December, 2017	Floating	Within 1 Year	After more than 1 year
	USD	USD	USD
Financial assets			
Deposits	–	–	–
Advances	–	**366,800**	–
Advances on project	–	–	**16,485,215**
Investment	–	–	–
Share application monies	–	–	–
Trade and other receivables	–	–	–
Cash and cash equivalent	–	–	–
	–	**366,800**	**16,485,215**
Financial liabilities			
Trade and other payables	–	**8,000**	–
Borrowings	–	**20,968,775**	–
Bank credit facilities	–	**25,940,050**	–
Interest accrued on borrowings	–	**23,465,001**	–
Amount due to related companies	–	**34,214,306**	–
	–	**112,099,807**	–

31 December, 2016	Floating	Within 1 Year	After more than 1 year
	USD	USD	USD
Financial assets			
Deposits	–	–	–
Advances	–	366,800	–
Advances on project	–	–	16,485,215
Investment	–	–	–
Share application monies	–	10,000,000	–
Trade and other receivables	–	–	–
Cash and cash equivalent	135	–	–
	135	10,000,000	26,485,215
Financial liabilities			
Trade and other payables	–	5,000	–
Borrowings	–	20,968,775	–
Bank credit facilities	–	25,940,050	–
Interest accrued on borrowings	–	16,385,167	–
Amount due to related companies	–	34,194,740	–
	–	97,980,437	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

14. Administrative and general expenses

	Year ended December, 2016 USD	Year ended December, 2015 USD
Audit fee	**8,000**	8,000
Professional fee	**11,567**	13,640
Provisions made against:		
Advances	**10,366,800**	73,800,610
Capital Advance	**–**	10,180,000
Trade and other receivables	**–**	42,975,080
Investments	**–**	20,000,000
Share application money	**10,000,000**	–
Inventories	**–**	–
Total of provisions made	**20,366,800**	20,000,000
Less: Liabilities written back		
Sundry Creditors	**–**	–
GTL International Limited	**(385,440)**	(2,296,353)
Total liabilities written back	**(385,440)**	(385,440)
Provisions net off amounts written back	**–**	19,614,560
Total Administrative and general expenses	**19,567**	19,636,200

15. Finance costs

	Year ended December, 2017 USD	Year ended December, 2016 USD
Interest on loan	**7,503,675**	6,593,264
Bank charges	**–**	–
	7,503,675	6,593,264

16. Related party transactions

During the year ended 31 December 2017, the Company transacted with related companies. The nature, volume and type of transactions with the companies are as follows

Name of related Company	Nature of Transaction	2017	Movement during the year	2016	Amount in USD Receivable (R) / Payable (P)
GTL International Limited	Current Account	NIL	NIL	NIL	P
GTL Limited	Loan	34,215,306	NIL	34,194,739	P

17. Holding and ultimate holding company

The Company is a wholly owned subsidiary of GTL Limited, a company incorporated in India and listed in the Bombay Stock Exchange. The directors report GTL Limited as the immediate and ultimate holding company.

18. Events after the reporting period

There have been no material events after the reporting date which would require disclosure or adjustment to the financial statement for the year ended 31 December 2017.

DIRECTORS' REPORT

For the year ended 31 December 2017

The Directors present their annual report together with the Consolidated and the Company financial statements of **GTL International Limited** (the Company) and its Subsidiaries (collectively referred to as the Group) for the year ended 31 December 2017.

Review of the Group's activities and performance

The principal activities of the Company and its Subsidiaries are to provide network services and also trading in telecommunication products.

The Group has incurred a loss of USD 10,042,030 for the year before accounting for foreign currency translation adjustment gains of USD 2,197,657 under 'Other comprehensive income' and the Company has incurred a loss of USD 538,027 for the year.

Directors' responsibilities in respect of financial statements

The Directors are responsible for preparation of Consolidated and the Company financial statements for each financial year, which present fairly the financial position, financial performance and cash flow of the Group and of the Company. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the Consolidated and the Company financial statements. The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position, financial performance and cash flow of the Group and of the Company. They are also responsible for safeguarding the assets of the Group and of the Company, hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Ultimate Holding company

The share capital of USD 8,000,000 of the Company comprising 3,000,000 ordinary shares of USD 1 each and 5,000,000, 3.5% redeemable preference shares of USD 1 each is entirely held by GTL Limited, India. Consequently, the Company is a wholly–owned subsidiary of the GTL Limited, India (the Ultimate Holding company).

Subsequent events

We confirm that there are no subsequent events needing adjustments to or disclosures in the financial statements.

Auditors

We propose the reappointment of M/s. Behl, Lad & Al Sayegh – Chartered Accountants as auditors of the Group and of the Company for the next year.

Approved on behalf of the Directors on 18 April 2018.

Sukanta Kumar Roy Director	Milind Vasant Bapat Director

INDEPENDENT AUDITORS' REPORT

to the Shareholder of GTL International Limited

Opinion

We have audited the financial statements of GTL International Limited (the Company), Bermuda and its Subsidiaries (collectively the Group), which comprise the consolidated and the Company statements of financial position as at 31 December 2017 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information contained in notes set out on pages 4 to 26.

In our opinion, the accompanying Consolidated and the Company financial statements present fairly, in all material respects the consolidated and the Company financial position of GTL International Limited and its Subsidiaries as of 31 December 2017 and their respective financial performance and their respective cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 and the Group entities in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) and have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 (d) for the financial statements which explains the reasons for preparation of the financial statements on a going concern basis.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Management's Responsibility for the Financial Statements

The Company's Directors are responsible for the preparation and fair presentation of these consolidated and the Company financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of Consolidated and the Company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated and the Company financial statements, management is responsible for assessing the Group and the Company's abilities to continue as going concerns, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group or to cease their operations, or has no realistic alternative but to do so.

Management and those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibility

The objectives of our audit are to obtain reasonable assurance about whether the Consolidated and the Company 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 the aggregate, they could reasonable be expected to influence the economic decisions of users taken on the basis of these Consolidated and the Company financial statements.

Behl, Lad & Al Sayegh
Signed by:
Vasant Lad
Partner
Registration No. 299

Dubai, United Arab Emirates
18 April 2018

BALANCE SHEET AS AT 31 DECEMBER 2017

	Notes	As at 31 Dec 2017	As at 31 Dec 2016	As at 31 Dec 2017	As at 31 Dec 2016
		INR Crores	INR Crores	USD	USD
Assets					
Non–current assets					
Property, plant and equipment	3	3.47	6.06	541,893	892,145
Capital work–in–progress	3	–	–	–	–
Investment properties	4				
Intangible assets	5	129.92	217.31	20,317,150	32,000,000
Intangible assets under development	5	–	–	–	–
Financial assets	7				
Investments		–	–	–	–
Loans		–	–	–	–
Other financial assets		–	–	–	–
Deferred tax assets (net)	23	0.17	2.72	26,022	400,371
Other non–current assets	8	6.39	18.21	999,619	2,681,243
		139.94	**244.30**	**21,884,684**	**35,973,759**
Current assets					
Inventories	9	3.77	4.23	588,932	623,551
Financial assets					
Investments	10				
Trade receivables	11	133.02	175.78	20,801,963	25,884,054
Cash and cash equivalents	12	10.12	39.28	1,583,163	5,784,682
Bank balance other than included in Cash and cash equivalents above	13				
Other receivables	14				
Loans	7	–	–	–	–
Other financial assets	7	–	–	–	–
Current Tax Assets (Net)	15				
Other current assets	16	0.24	0.26	38,233	38,233
		147.15	**219.56**	**23,012,291**	**32,330,520**
Assets classified as held for sale					
		147.15	219.56	23,012,291	32,330,520
Total Assets		**287.09**	**463.85**	**44,896,975**	**68,304,279**
Equity and liabilities					
Equity					
Equity Share Capital	17	51.16	54.33	8,000,000	8,000,000
Other Equity	18	(192.85)	(151.71)	(30,158,798)	(22,340,189)
Total Equity		**(141.69)**	**(97.38)**	**(22,158,798)**	**(14,340,189)**
Non–controlling interests		0.01	0.18	796	26,560
Non–current liabilities:					
Financial liabilities					
Borrowings	19	0.75	14.08	117,918	2,073,934
Trade payables	20				
Other financial liabilities	21				
Provisions	22				
Deferred tax liabilities (net)	23	–	–	–	–
Other non–current liabilities	24				
		0.75	14.08	117,918	2,073,934
Current liabilities:					
Financial liabilities					
Borrowings	19	181.48	197.62	28,380,096	29,099,588
Trade payables	25	134.23	183.30	20,991,810	26,991,368
Other financial liabilities	26	39.44	68.03	6,167,083	10,017,083
Other current liabilities	27	72.88	98.03	11,398,070	14,435,935
Provisions	22				
Current tax liabilities (net)					
		428.03	546.97	66,937,059	80,543,974
Total liabilities		428.78	561.06	67,054,977	82,617,908
Total equity and liabilities		**287.09**	**463.85**	**44,896,975**	**68,304,279**

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST DECEMBER, 2017

	Notes	Year ended 31st Dec, 2017	Year ended 31st Dec, 2016	Year ended 31st Dec, 2017	Year ended 31st Dec, 2016
		INR Crores	INR Crores	USD	USD
Continuing operations					
Revenue from operations	29	**369.66**	401.38	**57,369,785**	59,542,932
Other income	30	**23.84**	19.20	**3,699,555**	2,848,156
TOTAL INCOME		**393.50**	**420.58**	**61,069,340**	**62,391,088**
EXPENSES					
Cost of materials consumed	31	**273.76**	269.83	**42,485,980**	40,028,361
Purchases of stock–in–trade	32	**–**	–	**–**	–
Changes in inventories of finished goods, stock–in–trade and work–in–progress	33	**–**	–	**–**	–
Employee benefits expenses	34	**49.78**	69.53	**7,726,069**	10,314,031
Finance costs	35	**18.56**	12.92	**2,881,135**	1,916,333
Depreciation and amortisation expenses	36	**77.29**	9.12	**11,995,694**	1,352,238
Other expenses	37	**30.11**	77.23	**4,672,798**	11,456,040
TOTAL EXPENSES		**449.50**	**438.63**	**69,761,676**	**65,067,003**
Profit/(loss) before exceptional items and tax from continuing operations		**(56.00)**	(18.05)	**(8,692,336)**	(2,675,915)
Exceptional items					
Profit/(loss) before tax from continuing operations		**(56.00)**	(18.05)	**(8,692,336)**	(2,675,915)
Tax expenses					
Current tax / Subsidiary Disposed off + Retained earning of Subsidiary Dispose off		**8.70**	9.53	**1,349,694**	1,414,157
Adjustment of tax relating to earlier periods					
Deferred tax credit/(charge)					
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**(64.70)**	(27.58)	**(10,042,030)**	(4,090,072)
Discontinued operations:					
Profit/(loss) before tax for the year from discontinued operations	28	**–**	–	**–**	–
Tax Income/ (expense) of discontinued operations		**–**	–	**–**	–
Profit/ (loss) for the year from discontinued operations		**–**	–	**–**	–
Profit/(loss) for the year		**(64.70)**	(27.58)	**(10,042,030)**	(4,090,072)
Other Comprehensive Income					
A (i) Items that will not be reclassified to profit or loss		**14.16**	6.87	**2,197,657**	1,019,485
(ii) Income tax relating to items that will not be reclassified to profit or loss		**–**	–	**–**	–
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**14.16**	**6.87**	**2,197,657**	**1,019,485**
B (i) Items that will be reclassified to profit or loss					
(ii) Income tax relating to items that will be reclassified to profit or loss					
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**–**	–	**–**	–
Other comprehensive income for the year, net of tax		**14.16**	6.87	**2,197,657**	1,019,485
Total Comprehensive Income for the period, net of tax		**(50.54)**	(20.71)	**(7,844,373)**	(3,070,587)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER, 2017

a. Equity Share Capital:

Equity shares of INR XX each issued, subscribed and fully paid

	No. in Crores	INR Crores	In USD
At 1 January 2016	0.30	53.14	8,000,000
Issue of share capital (Note 17)	–	–	–
At 31 December 2016	0.30	54.33	8,000,000
Issue of share capital (Note 17)	–	–	–
At 31 December 2017	**0.30**	**51.16**	**8,000,000**

b. Other Equity:

For the year ended 31 December 2017

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	Translation reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)		
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	In USD
As at 31st December 2016	–	–	–	–	–	7.47	(159.19)	–	(151.72)	(22,340,189.00)
Net Profit for the period							(50.54)		(50.54)	(7,844,373.00)
Other comprehensive income									–	
Total comprehensive income	–	–	–	–	–	–	(50.54)	–	(50.54)	(7,844,373.00)
Dividends	–	–	–	–	–	–	–	–	–	–
Transfer from translation reserve	–	–	–	–	–	13.62	(4.21)	–	9.41	25,764.00
Transfer from Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–	–
Transfer to general reserve	–	–	–	–	–	–	–	–	–	–
Transfer to Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–	–
As at 31 December 2017	–	–	–	–	–	21.09	(213.94)	–	(192.85)	(30,158,798.00)

For the year ended 31 December 2016

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	Translation reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)		
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	In USD
As at 1st January 2016	–	–	–	–	–	0.54	(127.65)	–	(127.11)	(19,134,106.00)
Net Profit for the period							(20.71)		(20.71)	(3,070,587.00)
Other comprehensive income									–	
Total comprehensive income	–	–	–	–	–	–	(20.71)	–	(20.71)	(3,070,587.00)
Impact of translation of financials into INDAS									–	
Dividends	–	–	–	–	–	–	–	–	–	–
Transfer from translation reserve	–	–	–	–	–	6.93	(10.83)	–	(3.90)	(135,496.00)
Transfer from Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–	–
Transfer to general reserve	–	–	–	–	–	–	–	–	–	–
Transfer to Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–	–
As at 31 December 2016	–	–	–	–	–	7.47	(159.19)	–	(151.72)	(22,340,189.00)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER, 2017

	Notes	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 USD	31 Dec 2016 USD
Operating activities					
Profit before tax from continuing operations		**(58.60)**	(17.56)	**(8,692,336)**	(2,675,915)
Profit/(loss) before tax from discontinued operations					
Profit before tax		**(58.60)**	(17.56)	**(8,692,336)**	(2,675,915)
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation and impairment of property, plant and equipment		**80.86**	8.88	**11,995,694**	1,352,238
Amortisation and impairment of intangible assets					
Losses / (Gain) on disposal of property, plant and equipment		**0.38**	1.04	**56,545**	158,367
Finance income (including fair value change in financial instruments)		**(0.65)**	(0.67)	**(96,683)**	(102,138)
Finance costs (including fair value change in financial instruments)		**19.47**	12.51	**2,888,599**	1,906,531
Profit on sale of current investments		**–**	–		
Slow moving inventories written off		**–**	–		
Dividend Income		**(1.71)**	–	**(254,278)**	
Rent Deposit and staff advance written off		**2.04**	–	**301,912**	
Provision for deferred tax					
Provision for current tax (net of MAT credit entitlement)					
Liabilities / provisions no longer required written back					
Exceptional Items :					
Provision for Doubtful Receivables – Others (Net)		**6.26**	37.84	**929,310**	5,766,095
Provision for diminution in investments					
Suppliers Claim – Continuing operations		**(20.61)**	(15.07)	**(3,057,312)**	(2,296,426)
Working capital adjustments:					
Increase /(decrease) in provision for bad & doubtful debts/advances					
Increase /(decrease) in provision for gratuity & Compensated absences					
(Increase)/decrease in trade receivables		**14.57**	(65.04)	**2,160,879**	(9,910,315)
(Increase)/decrease in inventories		**0.23**	(3.16)	**34,619**	(481,391)
(Increase)/decrease in other current and non current assets					
(Increase)/decrease in long term and short term loans and advances					
Increase /(decrease) in trade payables, other current and non current liabilities and provisions		**(1.67)**	28.73	**(247,995)**	4,378,018
		(18.02)	(30.07)	**6,018,954**	(1,904,936)
Income tax paid (including TDS) (net)		**(9.93)**	(7.29)	**(1,472,727)**	(1,110,815)
Finance costs paid		**(35.85)**	(1.37)	**(5,318,761)**	(208,652)
Net cash flows from operating activities		**(27.95)**	(37.36)	**(772,534)**	(3,224,403)
Investing activities					
Proceeds from sale of property, plant and equipment		**1.09**	0.86	**161,143**	131,464
Purchase of property, plant and equipment (including CWIP)		**(1.08)**	(2.51)	**(160,594)**	(382,976)
Advance paid for investments		**3.37**	(3.28)	**500,000**	(500,000)
Increase in long term deposits		**7.97**	(0.16)	**1,181,624**	(24,799)
Purchase of Investment properties					
Intangible asset under development					
Realisation from Sale of investments – Other than Subsidiaries					
Purchase of financial instruments					
Dividend received		**13.11**	–	**1,944,268**	
Proceeds from sale of financial investments					
Interest received (finance income)		**0.65**	0.67	**96,683**	102,138
Net cash flows from / (used in) investing activities		**25.10**	(4.42)	**3,723,124**	(674,173)
Financing activities					
Proceeds from issue of equity share capital					
Transaction cost on issue of shares					
Interest paid					
Proceeds from/(repayment of) bank borrowings		**(11.61)**	7.08	**(1,722,109)**	1,079,351
Receipts from related parties		**(20.48)**	6.77	**(3,037,865)**	1,031,010
Proceeds from short term borrowings					
Redemption of convertible debenture		**(25.95)**	–	**(3,850,000)**	
Repayment of short term borrowings					
Fixed deposits with banks held as margin money					
Payment of dividend					
Dividend distribution tax					
Net cash flows from / (used in) financing activities		**(58.04)**	13.85	**(8,609,974)**	2,110,361
Adjustment on account of translation / consolidation		**55.93**	28.39	**2,177,357**	931,369
Net increase / (decrease) in cash and cash equivalents		**(60.89)**	(27.93)	**(3,482,027)**	(856,846)
Cash and cash equivalents at the beginning of the year		**38.65**	38.19	**4,961,185**	5,818,031
Cash and cash equivalents at the end		**33.69**	38.65	**1,479,158**	4,961,185

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AND AS AT 31 DECEMBER, 2017

3 Property, plant and equipment

	Freehold land	Leasehold land	Buildings	Plant & machinery	Furniture & fixtures	Office equipments	Computers	Networking Assets	Test and Repair Equipments	Vehicles	Capital Work in Progress	Total
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores
Cost												
At 1 Jan 2016	–	–	–	10.04	3.40	1.33	7.83	–	–	0.44	–	23.04
Additions	–	–	–	1.14	0.85	0.29	0.16	–	–	0.15	–	2.60
Disposals net of translation	–	–	–	(0.55)	(0.42)	(0.07)	(5.43)	–	–	0.00	–	(6.47)
At 31 Dec 2016	–	–	–	10.62	3.83	1.55	2.56	–	–	0.60	–	19.17
Additions	–	–	–	0.05	0.05	0.51	0.05	–	–	0.36	–	1.03
Disposals	–	–	–	(5.56)	(1.35)	(2.33)	(0.50)	–	–	(0.03)	–	(9.77)
Disposals net of translation	–	–	–	0.02	0.04	0.00	0.06	–	–	0.01	–	0.13
At 31 Dec 2017	–	–	–	5.11	2.53	(0.26)	2.12	–	–	0.93	–	10.43
Depreciation and impairment												
At 1 Jan 2016	–	–	–	7.66	2.08	0.76	5.29	–	–	0.16	–	15.95
Depreciation charge for the year	–	–	–	0.46	0.92	0.18	0.74	–	–	0.09	–	2.39
Disposals	–	–	–	(0.46)	(0.39)	(0.00)	(4.37)	–	–	0.00	–	(5.22)
At 31 Dec 2016	–	–	–	7.66	2.61	0.94	1.65	–	–	0.25	–	13.12
Depreciation charge for the year**	–	–	–	0.65	0.67	0.27	0.27	–	–	0.14	–	2.00
Disposals	–	–	–	(4.58)	(1.06)	(2.04)	(0.45)	–	–	(0.02)	–	(8.15)
Discontinued operations	–	–	–	–	–	–	–	–	–	–	–	–
At 31 Dec 2017	–	–	–	3.73	2.22	(0.84)	1.47	–	–	0.38	–	6.97
Net Book Value												
At 31 Dec 2017	–	–	–	1.38	0.31	0.57	0.65	–	–	0.55	–	3.47
At 31 Dec 2016	–	–	–	2.96	1.22	0.61	0.92	–	–	0.35	–	6.06
At 1 Jan 2016	–	–	–	2.38	1.32	0.57	2.55	–	–	0.28	–	7.10

	Freehold land	Leasehold land	Buildings	Plant & machinery	Furniture & fixtures	Office equipments	Computers	Networking Assets	Test and Repair Equipments	Vehicles	Capital Work in Progress	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Cost												
At 1 Jan 2016	–	–	–	1,510,836	512,084	200,177	1,179,102	–	–	66,788	–	3,468,987
Additions				168,034	125,507	42,866	23,834			22,735		382,976
Disposals net of translation				(114,350)	(73,135)	(14,446)	(825,239)			(1,262)		(1,028,432)
At 31 Dec 2016	–	–	–	1,564,520	564,456	228,597	377,697	–	–	88,261	–	2,823,531
Additions				8,130	7,782	79,938	8,039			56,705		160,594
Disposals				(776,219)	(181,412)	(350,593)	(63,448)			(945)		(1,372,617)
Disposals net of translation				3,250	5,580	744	8,751			1,361		19,686
At 31 Dec 2017	–	–	–	799,681	396,406	(41,314)	331,039	–	–	145,382	–	1,631,194
Depreciation and impairment												
At 1 Jan 2016				1,152,958	312,923	114,884	795,631	–	–	24,116		2,400,512
Depreciation charge for the year				68,468	135,476	26,153	108,561			13,580		352,238
Disposals				(93,157)	(63,517)	(2,719)	(661,540)			(431)		(821,364)
At 31 Dec 2016	–	–	–	1,128,269	384,882	138,318	242,652	–	–	37,265	–	1,931,386
Depreciation charge for the year**				101,214	105,256	41,548	42,238			22,588		312,844
Disposals				(645,933)	(142,420)	(310,555)	(55,328)			(693)		(1,154,929)
Discontinued operations												–
At 31 Dec 2017	–	–	–	583,550	347,718	(130,689)	229,562	–	–	59,160	–	1,089,301
Net Book Value							–					
At 31 Dec 2017	–	–	–	216,131	48,688	89,375	101,477	–	–	86,222	–	541,893
At 31 Dec 2016	–	–	–	436,251	179,574	90,279	135,045	–	–	50,996	–	892,145
At 1 Jan 2016	–	–	–	357,878	199,161	85,293	383,471	–	–	42,672	–	1,068,475

Net Book Value

	At 31 Dec 2017	At 31 Dec 2016	At 31 Dec 2017	At 31 Dec 2016
	INR in Crores	INR in Crores	USD	USD
Plant, property and equipment	3.47	6.06	541,893.12	892,145.00
Capital Work in Progress	–	–	–	–

SCHEDULES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AND AS AT 31 DECEMBER, 2017

5 Intangible assets

	Networking Software	Other than networking software	Intangible asset under development	Total
	INR in Crores	INR in Crores	INR in Crores	INR in Crores
Cost				
At 1 Jan 2016		288.30		288.30
Additions				
Disposals net of translation		6.42		6.42
At 31 Dec 2016	–	294.72	–	294.72
Additions				
Disposals net of translation		(126.91)		
At 31 Dec 2017	–	167.81	–	294.72
Amortization and impairment				
At 1 Jan 2016		69.08		69.08
Amortisation		6.79		6.79
Disposals net of translation		1.54		1.54
At 31 Dec 2016	–	77.41	–	77.41
Amortisation		(35.00)		(35.00)
Disposals net of translation		(4.52)		(4.52)
At 31 Dec 2017	–	37.89	–	37.89
Net Book Value				
At 31 Dec 2017	–	129.92	–	256.83
At 31 Dec 2016	–	217.31	–	217.31
At 1 Jan 2016	–	219.22	–	219.22

Net Book Value

	At 31 Dec 2017	At 31 Dec 2016	At 31 Dec 2017	At 31 Dec 2016
	INR in Crores	INR in Crores	USD	USD
Intangible assets	129.92	217.31	20,317,150.00	32,000,000.00
Intangible assets under development	–	–	–	–

8 Other non–current assets

	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	INR in Crores	INR in Crores	INR in Crores	INR in Crores
Advances other than capital advances				
Security Deposits	6.39	14.81	999,619.00	2,181,243.00
Other advances	–	3.40	–	500,000.00
	6.39	**18.21**	**999,619.00**	**2,681,243.00**

9. Inventories

	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	INR in Crores	INR in Crores	INR in Crores	INR in Crores
Finished goods (at lower of cost and net realisable value)	3.77	4.23	588,932.00	623,551.00
Total inventories at the lower of cost and net realisable value	3.77	4.23	588,932.00	623,551.00

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AND AS AT 31 DECEMBER, 2017

11. Trade and other receivables

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 USD	31 Dec 2016 USD
Trade receivables				
Secured, considered good				
Unsecured, considered good	102.96	99.11	16,101,017.00	14,594,591.00
Doubtful				
	102.96	**99.11**	**16,101,017.00**	**14,594,591.00**
Other receivables				
Secured, considered good				
Unsecured, considered good	30.06	76.67	4,700,946.00	11,289,463.00
Doubtful				
	30.06	**76.67**	**4,700,946.00**	**11,289,463.00**
Total trade receivables	133.02	175.78	20,801,963.00	25,884,054.00

12. Cash and cash equivalents

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 USD	31 Dec 2016 USD
Balances with banks				
In current accounts	0.07	39.21	10,876.00	5,773,403.00
Cheques on hand				
Cash on hand	10.05	0.08	1,572,287.00	11,279.00
	10.12	**39.28**	**1,583,163.00**	**5,784,682.00**

16. Other current assets

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 USD	31 Dec 2016 USD
Others	0.24	0.26	38,233.00	38,233.00
	0.24	**0.26**	**38,233.00**	**38,233.00**

19. Borrowings

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 USD	31 Dec 2016 USD
Non–current borrowings				
Unsecured loans				
Liability component of compound financial instrument	0.75	14.08	117,918.00	2,073,934.00
Total unsecured loans	0.75	14.08	117,918.00	2,073,934.00
Total non–current interest bearing loans and borrowings	**0.75**	**14.08**	**117,918.00**	**2,073,934.00**

Current borrowings

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 USD	31 Dec 2016 USD
Secured loans				
Loans repayable on demand from Banks				
– Cash Credit	181.48	197.62	28,380,096.00	29,099,588.00
	181.48	**197.62**	**28,380,096.00**	**29,099,588.00**

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AND AS AT 31 DECEMBER, 2017

21. Other financial liabilities

Break up of financial liabilities carried at amortised cost

	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	INR in Crores	INR in Crores	USD	USD
Borrowings (current maturities)	181.48	197.62	28,380,096.00	29,099,588.00
Total financial liabilities carried at amortised cost	181.48	197.62	28,380,096.00	29,099,588.00
Deferred tax:				
Deferred tax assets	0.17	2.72	26,022.00	400,371.00
Deferred tax liabilities, net	**0.17**	**2.72**	**26,022.00**	**400,371.00**

25. Trade payables

	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	INR in Crores	INR in Crores	USD	USD
Trade payables	134.23	183.30	20,991,810.00	26,991,368.00
Trade payables to related parties				
	134.23	**183.30**	**20,991,810.00**	**26,991,368.00**

26. Other financial liabilities

	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	INR in Crores	INR in Crores	USD	USD
Convertible Debenture	39.44	68.03	6,167,083.00	10,017,083.00
Deposits from customers and others				
	39.44	**68.03**	**6,167,083.00**	**10,017,083.00**

27. Other current liabilities

	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	INR in Crores	INR in Crores	USD	USD
Accrued salaries and Employee benefits				
Due to related Parties	72.88	98.03	11,398,070.00	14,435,935.00
	72.88	**98.03**	**11,398,070.00**	**14,435,935.00**

28. Discontinued operations

During the year, the DF agreement between the Company and MSEDCL got terminated. The reconciliation and settlement of several claims of the Company and MSEDCL are under process and appropriate effect in respect of the same will be given in financials on conclusion of the said process. Pending reconciliation / settlement, as stated above, following are the disclosures.

The results of XXXXXX Limited for the year are presented below:

	31 Dec 2017	31 Dec 2016	31 Dec 2017	1 Jan 2016
	INR in Crores	INR in Crores	USD	USD
Revenue	–	–	–	–
Expenses	–	–	–	–
Finance costs	–	–	–	–
Impairment loss recognised on the re–measurement to fair value less costs to sell	–	–	–	–
Profit/(loss) before tax from a discontinued operation	–	–	–	–
Tax (expenses)/income:				
Related to current pre–tax profit/(loss)	–	–	–	–
Related to measurement to fair value less costs of disposal (deferred tax)	–	–	–	–
Profit/(loss) for the year from a discontinued operation	–	–	–	–

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AND AS AT 31 DECEMBER, 2017

29. Revenue from operations

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 USD	1 Jan 2016 USD
Sale of products (including excise duty)				
Telecom products	369.66	401.38	57,369,785	59,542,932
Power management	–	–		
Rendering of Services	–	–		
Telecom services	–	–		
Power management	–	–		
Revenue from energy management business	–	–		
Other Operating Revenue	–	–		
Export Incentives	–	–		
Technical Know–how and Licensing Fees	–	–		
Scrap Sales	–	–		
Others	**369.66**	**401.38**	**57,369,785**	**59,542,932**

30. Other income

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 USD	1 Jan 2016 USD
Interest income	0.62	0.69	96,683	102,138
Government grants	–	–		
Fair value gain on financial instruments at fair value through profit or loss	–	–		
Gain on foreign currency transactions (Net)	–	–		
Profit on sale of current investments	–	–		
Lease and rent income	–	–		
Other non–operating income	23.22	18.51	3,602,872	2,746,018
	23.84	**19.20**	**3,699,555**	**2,848,156**

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

31. Cost of materials consumed

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 USD	1 Jan 2016 USD
Raw Material Consumed				
Inventory at the beginning of the year	4.02	0.96	623,551	142,160
Add: Purchases	273.54	273.08	42,451,361	40,509,752
	277.55	274.03	43,074,912	40,651,912
Less: inventory at the end of the year	3.79	4.20	588,932	623,551
Cost of raw material and components consumed	**273.76**	**269.83**	**42,485,980**	**40,028,361**

32. Purchases of stock–in–trade

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 USD	1 Jan 2016 USD
Inventory at the beginning of the year				
Add: Purchases of stock in trade :				
Add: Purchase of material (Other than for trade) and services:				
	–	–	–	–
Less: inventory at the end of the year				
Purchases of stock–in–trade	**–**	**–**	**–**	**–**

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AND AS AT 31 DECEMBER, 2017

33. Changes in inventories of finished goods, stock–in–trade and work–in–progress

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 USD	1 Jan 2016 USD
Opening Stock				
Work–in–Process				
Finished Goods				
Stock–in–Trade				
Spares and consumables				
Less: Closing Stock				
Work–in–Process				
Finished Goods				
Stock–in–Trade				
Spares and consumables				
	–	**–**	**–**	**–**

34. Employee benefits expenses

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 USD	1 Jan 2016 USD
Salaries, wages and bonus	49.35	69.17	7,659,407	10,260,458
Contribution to provident and other funds	–	–		
Employee stock option scheme	–	–		
Gratuity expense	–	–		
Staff welfare expense	0.43	0.36	66,662	53,573
Recruitment and training	–	–		
	49.78	**69.53**	**7,726,069**	**10,314,031**

35. Finance costs

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 USD	1 Jan 2016 USD
Interest	–	–		
– On fixed period loan	–	–		
– Others	18.56	12.73	2,881,135	1,888,587
Exchange difference to the extent considered as an adjustment to borrowing cost	–	0.19	–	27,746
Total finance cost	**18.56**	**12.92**	**2,881,135**	**1,916,333**

36. Depreciation and amortization expense

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 USD	1 Jan 2016 USD
Amortization of intangible assets (note 3)	75.28	6.74	11,682,850	1,000,000
Depreciation of tangible assets (note 5)	2.02	2.37	312,844	352,238
Depreciation on Investment Properties (note 4)	–	–		
	77.29	**9.12**	**11,995,694**	**1,352,238**

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AND AS AT 31 DECEMBER, 2017

37. Other expenses

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 USD	1 Jan 2016 USD
Repairs and maintenance	–	–		
Plant and machinery	0.61	0.66	94,206	98,417
Others	–	–		
Other insurance	–	–		
Non network rent	–	–		
Rates and taxes	2.16	2.44	335,846	362,087
Electricity	0.17	0.27	26,555	40,497
Printing and stationery	–	–		
Communication expenses	0.36	0.66	56,484	98,158
Travelling and conveyance	1.89	1.75	293,266	259,961
Bad debts / advances written off	5.99	30.96	929,310	4,592,206
Provision for bad and doubtful debts/advances	–	7.91	–	1,173,889
Bank charges	0.05	0.12	7,464	17,944
Directors commission	–	–		
Directors' sitting fees	–	–		
Legal and professional charges	7.49	14.55	1,162,320	2,157,889
Audit fees	–	–		
Loss/(Gain) on sale of fixed assets/asset disposed off (net)	0.36	1.07	56,545	158,367
CSR expenditure (refer details below)	–	–		
Miscellaneous expenses	11.02	16.83	1,710,802	2,496,625
	30.11	**77.23**	**4,672,798**	**11,456,040**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2017

1. **Legal status and business activities**

a) These financial statements include the consolidated financial statements of GTL International Limited (the Company) and its wholly–owned subsidiaries and the stand–alone financial statements of the Company. The Company was incorporated in Bermuda on 16 May 2007 as an exempted company as defined by the Companies Act 1981 of Bermuda. The Company's registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

b) The Company is a wholly–owned subsidiary of GTL Limited, India (the Ultimate Holding company). The registered office of the Ultimate Holding company is Global Vision, Electronic Sadan No. 2, MIDC, TTC Industrial Area, Mahape, Navi Mumbai, Maharashtra, India 400 710.

c) The principal activities of the Company and its subsidiaries are to provide network services and also the trading of telecommunication products.

d) The details of the subsidiaries of the Company are as follows:

Name of subsidiary	Country of incorporation	% holdings	At cost 2017 USD	At cost 2016 USD
GTL (Singapore) Pte. Ltd.	Singapore	100	26,544,034	26,544,034
GTL Saudi Arabia Company Limited	KSA	90	968,400	968,400
GTL Overseas (Middle East) DMCC	UAE	100	13,750	13,750
GTL Europe Limited	UK	100	9,542,280	9,542,280
GTL Network Services Malaysia Sdn. Bhd.	Malaysia	100	–	19,325,637
GTL International Sri Lanka Limited *	Sri Lanka	100	–	145,000
GTL International Kenya	Kenya	100	–	25,000
GTL Tanzania Limited	Tanzania	100	–	25,000
(refer Note 15)			37,068,464	56,589,101

The following companies are the wholly–owned step–subsidiaries of the Company.

Name of step–subsidiary	Country of incorporation	% holdings	Subsidiary of
GTL Nepal Private Limited	Nepal	100	GTL (Singapore) Pte. Ltd.
IGTL Myanmar Limited	Myanmar	100	GTL (Singapore) Pte. Ltd. (99%)

During the year, GTL Network Services Malaysia Sdn. Bhd., GTL International Sri Lanka Limited, GTL International Kenya, GTL Tanzania Limited and PT GTL (Indonesia) Ltd., a wholly–owned step–subsidiary of GTL (Singapore) Pte. Ltd., IGTL Network Services Philippines Inc., a wholly–owned step–subsidiary of GTL Network Services Malaysia Sdn Bhd and GTL International Bangladesh Pvt. Ltd., a wholly–owned step–subsidiary of GTL Europe Limited were either liquidated or are under liquidation or their operations have stopped. The net retained earnings of the liquidated subsidiaries and wholly–owned step–subsidiaries have been adjusted from the accumulated losses of the Group (Page 4).

2. **Basis of preparation**

a) Statement of compliance

These Consolidated and the Company financial statements are prepared under the historical cost convention and in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB).

The following standards and amendments are effective for the first time from the current year, however they do not apply to the Company or do not have have any material impact on the Company's financial statements as they merely clarify the existing requirements and do not affect the Company's accounting policies or any other disclosures.

– Recognition of Deferred Tax Assets for Unrealized Losses – Amendments to IAS 12.

– Disclosure Initiative – Amendments to IAS 7.

– Annual Improvements 2014–2016 cycle: Amendments to IFRS 12 – The amendments clarify that the disclosure requirements of IFRS 12 apply to interests in entities that are classified as held for sale, except for the summarized financial information.

b) Basis of consolidation

i) The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively, the Group) on the basis of their audited financial statements.

ii) Control is achieved by the Parent company when it is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which it ceases.

iii) The like items of assets, liabilities, equity, income and expenses and cash flows of the Parent company with those of the subsidiaries are added together. The carrying amount of the Parent company's investment in each subsidiary and the Parent company's portion of equity of each subsidiary are offset. Intra–group transactions, balances and profits / losses on transactions are eliminated on consolidation and all figures relate to external transactions and balances only.

iv) The reporting dates of all the subsidiaries mentioned in {Note 1 (d)} above are co–terminus with that of the Company except GTL Saudi Arabia Company Limited, KSA, which follows 31 March, in which case additional financial information of the intervening period is obtained and adjusted in the consolidation so that the figures of this subsidiary are co–terminus with the Group financial statements.

v) Non–controlling interest represents the share of the non–controlling Shareholder in the share capital of the subsidiary, namely, GTL Saudi Arabia Co. Ltd., its reserve and profits less dividends paid and each component of other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2017

c) Presentation currency

These Consolidated and the Company financial statements have been presented in USD (US Dollar), being the currency of the primary economic environment in which is the Group and the Company operate.

The figures of the subsidiaries and step–subsidiaries have been converted into USD (US Dollar) at the average rate for the balances in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position. The differences arising are accounted through the 'Other comprehensive income' in the 'Foreign currency translation reserve' in the consolidated statement of changes in equity.

As at the end of the reporting period the average rate for balances conversion to 1 USD as follows:

	2017 USD	2016 USD
Myanmar Kyat	**1,428.571**	1,339.580
Great Britain Pound Sterling (GBP)	**0.741**	0.814
Saudi Riyal	**3.750**	3.750
UAE Dirham	**3.650**	3.650
Nepalese Rupee	**103.093**	106.586
Bangladeshi Taka	*	76.951
Indonesian Rupiah	*	13,440.900
Kenyan Shilling	*	100.589
Malaysian Ringit	*	4.482
Philippine Peso	*	49.478
Tanzanian Shilling	*	2,121.750

*These subsidiaries have been either liquidated or are under liquidation or their operations have stopped.

The figures have been rounded off to the nearest US Dollar.

d) Going concern basis of accounting

In the last few years, the Company has been incurring cash losses, which have resulted in erosion of its entire share capital and the Group's and the Company's current liabilities exceeded current assets by USD 43,926,110 and USD 50,611,322 respectively. However, the Group as well as the Company operations are expected to be profitable in the foreseeable future. The Parent company has confirmed its intention to continue with the operations of the Group companies and it has undertaken to provide its continuing financial support to the Company and the subsidiaries to enable them to meet their payment obligations as and when they fall due for payment. The management has made a proposal for settlement of the Group's borrowings from the lenders and is under discussion and it is of the view that upon the acceptance and implementation of the Group's negotiated settlement proposals, the Group entities would be in a position to meets their liabilities and continue their operations. In view of the above, the Company and the Group continue to prepare the financial statements on a going concern basis.

e) Accrual basis of accounting

The financial statements are prepared using the accrual basis of accounting, except for cash flows information, i.e. all items of assets, liabilities, equity, income and expenses are recognised as they arise.

f) Use of significant estimates, assumptions and judgements

Based on the historical experience and reasonable expectations of future events, the management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and disclosure of contingencies and commitments. These relate to lives of items of property and equipment and their residual values, write–down of the value of inventories and provision for doubtful trade receivables and dues from related parties and impairment in the carrying values of the subsidiaries in the stand–alone financial statements of the Company.

Impairment of assets

Financial assets are assessed at each reporting date to determine whether there is any evidence of impairment which is judged by default or delinquency by a debtor, the age of the debts, management experience and assessed creditworthiness of the debtor.

In the case of non–financial assets a review is made to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised in the profit or loss, if the carrying amount of the asset exceeds its recoverable amount.

g) New and amended standards

The Group intends to adopt the following new standards, if applicable when they become effective.

- IFRS 15 – Revenue from contracts with customers and associated amendments to various other standards. This establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 – Revenue, IAS 11 – Construction Contracts and IFRIC 13 – Customer Loyalty Programmes – Effective 1 January 2018.
- IFRS 16 – Leases – Effective date 1 January 2019.
- Disclosure Initiative – Amendments to IAS 1.
- Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28.
- IFRS 9 Financial Instruments and associated amendments to various other standards – This standard published in July 2014. replaces the existing guidance in IAS 39 – Financial Instruments, Recognition and Measurements. This includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39 – Effective 1 January 2018.
- Classification and Measurement of Share–based Payment Transactions – Amendments to IFRS 2 – Effective 1 January 2018.
- Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – Amendments to IFRS 4 – Effective 1 January 2018 or when the entity first applies IFRS 9.
- Annual Improvements 2014 – 2016 Cycle – Effective 1 January 2018.
- Transfer of Investment Property – Amendments to IAS 40 – Effective 1 January 2018.
- Interpretation 22 Foreign Currency Transactions and Advance Consideration – Effective 1 January 2018.
- IFRS 17 Insurance Contracts – Effective 1 January 2021.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

3. Summary of significant accounting policies

The significant accounting policies adopted and which have been consistently applied are as follows:

a) Revenue and direct costs recognition

– **Revenue**

Sales represents the amount invoiced for goods delivered and services rendered during the year, net of discounts and returns. Sale of goods is recognised when significant risks and rewards relating to the ownership of goods concerned are transferred to the customer. Revenue from services is recognised by reference to the stage of completion. Stage of completion is measured with reference to surveys of work performed. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

– **Dividend income**

Dividend income from investee companies is recognized in the year in which the Company's right to receive is established.

– **Cost of revenue**

Direct costs of purchases includes costs of direct materials, direct labour and other direct costs which are directly identifiable with the costs of revenue generated.

b) Borrowing costs

Borrowing costs incurred on funds obtained from banks/financial institutions/related parties is accrued and expensed out on period basis.

c) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows which can be clearly distinguished from the rest of the Group and which:

– represents a separate major line of business or geographical area of operations:

– is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or

– is a subsidiary acquired exclusively with a view to resale.

Classification as discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held–for–sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re–presented as if the operation had been discontinued from the start of the comparative year.

d) Leases

Leases under which substantially all the risks and rewards of ownership of the related asset remain with the lessor are classified as operating leases and the lease payments are charged to the statement of profit or loss on a straight–line basis over the period of the lease.

e) Foreign currency transactions and balances

Transactions in foreign currencies are translated into US Dollar (USD) at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into US Dollar (USD) at the rate of exchange ruling at the end of the reporting period. Non–monetary items that are measured at historical cost in a foreign currency are not translated. These items that are measured at a fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Gains or losses resulting from settlement of foreign currency transactions and from the translation at the year–end exchange rates of monetary assets and liabilities are recognized in the statement of profit or loss on net basis as either foreign exchange gains or foreign exchange losses and included in other income or other expenses respectively.

f) Property and equipment

Recognition and measurement

Items of property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Gains/losses on disposal are determined by reference to their carrying amount and are included in the statement of profit or loss.

An assessment of residual values is undertaken at each end of the reporting period and if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Depreciation

The cost less estimated residual value, where material, is depreciated using the straight–line method from the date of acquisition to the estimated useful lives are as follows:

Plant & equipment	5	years
Furniture & fittings	2 – 10	years
Office equipment	2 – 10	years
Computer equipment	5 – 10	years
Motor vehicles	4	years

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2017

Impairment

At each end of the reporting period, management assesses the property and equipment to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

g) Intangible assets

Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiaries at the date of acquisition and is tested annually for impairment and carried at cost less accumulated impairment losses.

h) Subsidiaries

In the stand–alone financial statements of the Company, the subsidiaries are stated at cost less impairment loss, if any.

i) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the First–In–First–Out (FIFO) method and comprises invoice value plus applicable landing charges. In the work–in progress the cost includes direct costs plus attributable overhead expenses without any element of profit. Net realizable value is based on estimated selling price less any estimated selling expenses and cost of completion and disposal.

Estimate for inventory write–down and reversals

Based on an annual review of the Group's inventories the management assesses the likely realization proceeds by taking into account the purchase and replacement prices of goods, technological changes, age, likely obsolescence and physical damage to the goods and the price at which they are being invoiced to estimate the write–down required.

Inventory write–downs or reversals of write–downs are included in 'Cost of sales'.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash, balances in bank current accounts and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit.

k) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of the borrowing facilities are recognised as transaction costs to the extent the facility will be drawn down. In the case, the fee is deferred until the draw down occurs. To the extent there is no such evidence, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non–cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs, as applicable. Where the terms of a financial liability are renegotiated a gain or loss is recognised in the statement of profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the financial liability agreed.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for atleast 12 months after the reporting period.

l) Current and deferred income tax

The Company is not liable to income tax as there is no corporate taxation in Bermuda where the Company is based.

The tax expense for the year which relate to the operations of the subsidiaries comprises of current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to item recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for that arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor table profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settle.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

m) Convertible debentures

Convertible debentures are stated at the net amount received.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2017

n) Trade payables, provisions and accruals

Liabilities are recognized for amounts to be paid in future for goods and services rendered, whether or not billed to the Group.

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

o) Staff end–of–service benefits

Provision is made for end–of–service benefits payable to the staff at the end of the reporting period in accordance with the labour laws prevailing in the respective jurisdictions where the Group entities are based assuming that all employees were to leave as at the end of the reporting period (Note 24).

p) Statement of cash flows

Statement of cash flows is prepared segregating the cash flows from operating, investing and financing activities based on the nature of items. Cash flows under the operating activities are reported using the indirect method, whereby profit/(loss) is adjusted for the effects of transactions of non–cash nature, any deferrals or accruals of past or future of cash receipts and payments and for items of income and expenses which are reflected in investing or financial activities.

q) Non–derivative financial assets and liabilities

Receivables

Receivables are those financial assets that have fixed or determinable payments and for which there is no active market are initially recognised at fair value plus any directly attributable transactions costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. These comprise trade and other receivables, bank balances and dues from related parties.

Trade receivables represent amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less they are classified as current assets otherwise as non–current assets. These are carried at the invoiced amounts less an estimate of provision for doubtful receivables based on a review of all outstanding amounts at the year–end. Bad debts are written off when identified.

Non–derivative financial liabilities

The non–derivative financial liabilities comprise bank borrowings, trade and other payables and related party payables.

Derecognition of financial assets and liabilities

The Group derecognizes a financial asset when its contractual rights to cash flows from the assets cease and any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

4. Risk management

The Group's activities expose it to a variety of financial risks such as credit risk, market prices risk and liquidity risks as follows:

a) Credit risk

This is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's customers, related parties and banks. The credit risk, where relevant is explained in the notes on the related account balances, namely trade receivables {Note 19 (c)}, dues from related parties (Note 28) and bank balances (Notes 17 & 20).

b) Market price risk

These are the risks arising from changes in market prices, such as foreign exchange rates and interest rates which would affect the Group's income or the value of its holdings of financial instruments. The management strives to manage market risk exposures within acceptable parameters, while optimising the return.

- Currency risk
- The currency risk, where relevant is explained in the note on the related account balances, namely trade receivables {Note 19 (d)}.

Interest rate risk

The management negotiates credit terms on the Group's borrowings with its bankers at the time of renewal of credit facilities which take place on annual basis to obtain reasonable pricing and conditions.

Fixed deposit with a bank and bank term loans are subject to fixed rates of interest at levels generally obtained in the market and are therefore exposed to fair value interest rate risk. The current bank borrowings are subject to floating rates of interest at levels generally obtained in the market and are therefore exposed to cash flow interest rate risk.

c) Liquidity risk

This is the risk where the Company and the Group may encounter difficulty in meeting their financial liabilities that are either settled in cash or exchange of another financial asset.

Management monitors its cash requirements to ensure adequacy of funding from the Parent Company. If necessary, funds are arranged from the Shareholders/related parties to ensure that the payment obligations are met on time. For the purpose of effective management of the working capital, the Company strives to strike a balance between the credit period allowed by its suppliers with that allowed to its customers and the inventory holding levels are also kept under constant review to ensure their optimum levels.

5. Capital management

Capital of Group consists of share capital (ordinary as well as convertible preference share capital), statutory reserve net of foreign currency adjustment deficit and accumulated losses attributable to the Ultimate Holding company plus the non–controlling interest in the Group which aggregated to deficit in equity of USD 22,158,002 for the Group and USD 14,525,008 for the Company, as at the end of the reporting period. The Capital is managed with an objective that adequate funds are available to the Group and the Company on an on–going basis to operate them as going concerns.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2017

6. Revenue

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Progressive billings	**55,989,804**	58,392,899	**398,333**	891,154
Add: Closing work–in–progress (Note 19)	**2,530,014**	1,150,033	**–**	–
Less: Opening work–in–progress (Note 19)	**(1,150,033)**	–	**–**	–
	57,369,785	**59,542,932**	**398,333**	**891,154**

7. Cost of revenue

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Opening Inventories	**6,23,551**	1.42,160	**–**	–
Add: Purchases during the year	**53,68,016**	44,73,451	**–**	–
Less: Closing inventories (Note 18)	**(588,932)**	(623,551)	**–**	–
Cost of inventories consumed	**5,402,635**	3,992,060	**–**	–
Turnkey projects costs	**14,700,842**	13,043,884	**–**	–
Subcontracting charges	**19,458,410**	19,955,361	**–**	–
Vehicle hiring charges	**1,885,460**	1,805,548	**–**	–
Delivery staff salaries	**4,989,935**	7,541,722	**–**	–
Others	**1,038,633**	1,231,508	**–**	–
	47,475,915	**47,570,083**	**–**	**–**

8. Other income

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Dividend Income	**2,54,278**	–	**28,19,829**	21,10,276
Credit balances written back	**30,57,312**	22,96,426	**–**	–
Foreign exchange gains (net)	**4,715**	–	**37,273**	–
Miscellaneous income	**286,567**	449,592	**–**	–
	3,602,872	**2,746,018**	**2,857,102**	**2,110,276**

9. Selling expenses

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Selling and marketing staff salaries	**15,27,054**	16,39,761	**–**	–
Selling and marketing staff expenses	**719**	4,206	**–**	**–**
Business promotion expenses	**934,898**	468,022	**398,558**	1,343,537
Travelling and vehicle charges	**84,065**	91,607	**–**	–
Others	**379**	1,267,592	**–**	9,028
	2,547,115	**3,471,188**	**398,558**	**1,352,565**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

10. Administrative expenses

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Support staff salaries	**11,42,418**	10,78,975	**–**	–
Support staff expenses	**65,943**	49,367	**–**	–
Rent, rates and taxes	**335,846**	362,087	**–**	4,200
Utilities	**26,555**	40,497	**–**	–
Legal and professional charges	**1,162,320**	2,157,889	**270,070**	1,919,251
Travelling and vehicle charges	**209,201**	168,354	**104,647**	77,684
Communication expenses	**56,484**	98,158	**–**	–
Repairs and maintenance charges	**94,206**	98,417	**–**	–
Others	**473,613**	761,011	**–**	–
	3,566,586	**4,814,755**	**374,717**	**2,001,135**

11. Other expenses

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Bad debts written off	**9,29,310**	45,92,.206	**46,617**	3,85,440
Provision for doubtful debts :				
– Trade receivables {Note 19 (e) (ii)}	**–**	406,530	**–**	–
– Dues from related parties (Note 28)	**–**	767,359	**–**	2,286,321
Losses on disposal of property, plant and equipment (Note 13)	**56,545**	158,367	**–**	–
Rent deposit & staff advance written off	**301,912**	–	**301,912**	–
Foreign exchange losses (net)	**–**	27,746	**–**	134,324
	1,287,767	**5,952,208**	**348,529**	**2,806,085**

12. Finance costs

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Interest charges on bank borrowings	2,881,135	1,888,587	2,669,838	1,697,879
Bank charges	7,464	17,944	1,820	2,418
	2,888,599	**1,906,531**	**2,671,658**	**1,700,297**

13. Property, plant and equipment

The movements schedule is set out at Page 26.

14. Intangible asset

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Goodwill				
– Cost	26,243,151	40,421,650	–	–
– Accumulated amortisation	(5,926,001)	(8,421,650)	–	–
	20,317,150	32,000,000	–	–
Reconciliation of net book values				
Opening balance	32,000,000	33,000,000	–	–
Written–off during the year:				
– Cost	(14,178,499)	–	–	–
– Accumulated amortisation	14,178,499	–	–	–
Amortisation for the year (Page 4)	(11,682,850)	(1,000,000)	–	–
Closing balances	**20,317,150**	**32,000,000**	**–**	**–**

During the year, on the basis of review of operational performance of the subsidiaries, the management decided the amortisation charge of USD 11,682,850 for the year and wrote off fully–amortised goodwill with a cost of USD 14,178,499 in respect of the liquidated subsidiaries and wholly–owned step–subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2017

15. Investments in subsidiaries

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Investments in subsidiaries {Note 1 (d)}	–	–	37,068,464	56,589,101
Impairment loss on investments	–	–	(982,150)	(20,502,787)
	–	–	36,086,314	36,086,314
Movements in investments				
Opening balance	–	–	36,086,314	36,086,314
Investments written off/sold (refer below):				
– Cost	–	–	19,520,637	64,260
– Provision for impairment loss	–	–	(19,520,637)	(64,260)
Closing balance	–	–	36,086,314	36,086,314
Details of investments written off:				
GTL Network Services Malaysia Sdn. Bhd., Malaysia	–	–	19,325,637	–
GTL International Sri Lanka Limited, Sri Lanka	–	–	145,000	–
GTL International Kenya, Kenya	–	–	25,000	–
GTL Tanzania Limited, Tanzania	–	–	25,000	–
GTL International Nigeria Limited, Nigeria	–	–	–	64,260
	–	–	**19,520,637**	**64,260**

16. Advance for investment

Harrington Master Trust Fund Ltd – Infrastructure Fund

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Opening balance	500,000	–	500,000	–
Add: Investment made during the year	–	500,000	–	500,000
Less: Disposal during the year at cost	(500,000)	–	(500,000)	–
Closing balance	**–**	**500,000**	**–**	**500,000**

17. Long–term deposits

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Fixed deposit with a bank	997,160	2,173,594	–	–
Visa deposits	2,459	7,649	–	–
	999,619	**2,181,243**	**–**	**–**

The fixed deposit is kept with reputed bank and is under lien as security for bank borrowings (Note 23), whereas the visa deposits are kept with Dubai Multi Commodities Centre Authority as security against staff visas.

18. Inventories

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Inventories				
Goods held for consumption	**588,932**	**623,551**	**–**	**–**

In the opinion of the management, the inventories would fetch at least their carrying values on sale/consumption.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2017

19. Receivables and prepayments

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Receivables and prepayments				
Trade receivables (net) – (a)	16,101,017	14,594,591	213,889	55,556
Work–in–progress (Note 6)	2,530,014	1,150,033	–	–
Advances to suppliers (b)	54,645	259,233	–	245,000
Other advances	1,652,739	5,341,327	–	5,142,961
Dividend receivable	287,964	1,977,954	2,582,964	1,227,958
Deposits	7,149	439,945	–	–
Prepayments	168,435	2,120,971	18,670	–
	20,801,963	**25,884,054**	**2,815,523**	**6,671,475**

a) Trade receivables are net of provision for doubtful debts of USD 8,240,051 (previous year: USD 8,386,530) for the Group and USD 7,980,000 (previous year: USD 7,980,000) for the Company {(e) (ii)}.

b) The advances to suppliers are net of provision for doubtful advances of USD 11,493,500 (previous year: USD 11,493,500) for the Group as well as the Company {(e) (ii)}.

c) Credit risk

The customers are internationally reputed telecommunicating services–providing companies. The management regularly monitors the outstanding amounts and follows up for recovery with periodic calls and visits to the customers.

d) Currency risk

Included in the trade receivables are balances denominated in currencies other than US Dollar as follows:

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Saudi Riyal	–	128,374	–	–
Nepalese Rupee	3,294,683	3,674,741	–	–
Great Britain Pound Sterling (GBP)	8,515,059	7,147,449	–	–
UAE Dirhams	26,302	–	–	–
Philippine Peso	–	60,360	–	–
Singapore Dollar	41,359	275,779	–	–
Myanmar Kyat	4,009,725	3,252,332	–	–
	15,887,128	**14,539,035**	**–**	**–**

e) Impairment

i) The age analysis of total trade receivables receivables (gross) was as follows:

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Less than one year	12,091,292	14,438,716	213,889	55,556
Over one year	12,249,776	8,542,405	7,980,000	7,980,000
Total	**24,341,068**	**22,981,121**	**8,193,889**	**8,035,556**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2017

ii) The movements in provision for doubtful debts and advances during the year was as follows:

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Opening balance	19,880,030	20,449,465	19,473,500	19,473,500
Provision for the year (Note 11)	–	406,530	–	–
Utilised for balances written off	(146,479)	(975,965)	–	–
Closing balance	**19,733,551**	**19,880,030**	**19,473,500**	**19,473,500**

The closing balance comprises as follows:

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Provision against trade receivables	8,240,051	8,386,530	7,980,000	7,980,000
Provision against advances to suppliers	11,493,500	11,493,500	11,493,500	11,493,500
	19,733,551	**19,880,030**	**19,473,500**	**19,473,500**

20. Cash and cash equivalents

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Cash in hand	10,876	11,279	–	–
Cash at bank and cash in hand	1,572,287	5,773,403	96,168	804,130
	1,583,163	**5,784,682**	**96,168**	**804,130**

The bank accounts are placed with reputed banks. For the purpose of the statements of cash flows, the cash and cash equivalents have been arrived as below:

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Cash and cash equivalents as above	1,583,163	5,784,682	96,168	804,130
Less: Bank overdraft (Note 23)	(104,005)	(823,497)	–	–
	1,479,158	**4,961,185**	**96,168**	**804,130**

21. Capital and reserve

a) Share capital

Authorised

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
76,000,000 ordinary shares				
of USD 1 each	76,000,000	76,000,000	76,000,000	76,000,000
120,000,000 preference shares of USD 1 each	120,000,000	120,000,000	120,000,000	120,000,000
	196,000,000	**196,000,000**	**196,000,000**	**196,000,000**

Issued and fully paid

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
3,000,000 ordinary shares				
of USD 1 each	3,000,000	3,000,000	3,000,000	3,000,000
5,000,000, 3.5% redeemable preference shares of USD 1 each	5,000,000	5,000,000	5,000,000	5,000,000
	8,000,000	**8,000,000**	**8,000,000**	**8,000,000**

The ordinary shares are entitled to voting rights and to dividends subject to solvency test and other legal requirements. The preference shares are redeemable at the option of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2017

b) Statutory reserve

This is in respect of a subsidiary in the Kingdom of Saudi Arabia and created by appropriating 10% of the profit of the subsidiary as required by the local Commercial Companies Law. The balance is not available for distribution except as provided in the Law. No such transfer was made for the year as the subsidiary has incurred a loss for the year.

22. Non–controlling interest

{Note 2 (b) (v) & Page 6}

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Opening balance – Credit/(Debit)	26,560	(108,936)	–	–
Share of losses for the year	(25,764)	135,496	–	–
Closing balance – Credit	**796**	**26,560**	**–**	**–**

23. Borrowings

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Non–current				
Bank term loans	–	1,722,109	–	–
Current				
Bank overdrafts	104,005	823,497	–	–
Bank term loans	28,276,091	28,276,091	28,276,091	28,276,091
	28,380,096	**29,099,588**	**28,276,091**	**28,276,091**

Bank borrowings are secured against first charge on all book debts, operating cash flows, receivables (including all receivables arising out of operations including dividends from subsidiaries), commissions, revenue from subsidiaries, present and future; first charge on Escrow account, debt service reserve account, other reserve and other bank accounts maintained by the Company; Escrow of revenue/receivables of identified subsidiaries; pledge over 74% shares of identified subsidiaries; PUT option for facility by GTL limited; Debt service reserve account comprising USD 6 million of principal and interest servicing of FCTL facility; debt service reserve account comprising USD 6 million of principal and interest servicing of FCTL facility and lien over fixed deposit with the bank (Note 17).

24. Employee benefits provisions

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Opening balance	**351,825**	793,715	–	–
Add: Provision for the year	**114,833**	462,513	–	–
Less: Payment made during the year	**(348,740)**	(904,403)	–	–
Closing balance	**117,918**	**351,825**	**–**	**–**

These represent provisions made for leave encashment and gratuity for employees of the Group.

25. Convertible debentures

The convertible debentures issued by the Company were due for redemption as follows:

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
23 June 2014	–	1,257,083	**–**	1,257,083
23 December 2014	**907,083**	3,500,000	**907,083**	3,500,000
23 June 2015	**3,500,000**	3,500,000	**3,500,000**	3,500,000
23 December 2015	**1,760,000**	1,760,000	**1,760,000**	1,760,000
	6,167,083	**10,017,083**	**6,167,083**	**10,017,083**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2017

The movements in convertible debentures during the year was as follows:

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Opening balance	**10,017,083**	10,017,083	**10,017,083**	10,017,083
Less: Redeemed during the year	**(3,850,000)**	–	**(3,850,000)**	–
Closing balance	**6,167,083**	**10,017,083**	**6,167,083**	**10,017,083**

The holder of the convertible debentures has not yet opted for conversion of the balance of debentures into equity shares.

26. Taxation

Income tax

In accordance with the existing tax regulations in Bermuda, no tax is payable on the income of the Company. The subsidiaries are liable to income tax according to the tax legislations of the countries in which they operate.

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Income tax expense	**974,731**	1,418,584	**–**	–
Deferred tax assets written off	**382,218**	–	**–**	–
Deferred tax	**(7,255)**	(4,427)	**–**	–
	1,349,694	1,414,157	**–**	–
Deferred tax asset				
Opening balance	**400,371**	390,591	**–**	–
Add: Movements during the year	**7,255**	4,427	**–**	–
Less: Written off during the year (Note 11)	**(382,218)**	–	**–**	–
Foreign currency translation reserve {Note 2 (c)}	**614**	5,353	**–**	–
Closing balance	**26,022**	400,371	**–**	–

27. Trade and other payables

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Trade and other payables				
Trade payables	3,078,191	5,958,066	–	–
Advances from customers	451,196	322,152	–	–
Accrued interest expense	5,689,333	8,119,495	5,689,333	8,119,495
Accrued and deferred income	4,040,430	4,657,962	–	–
Tax payable	902,709	1,400,705	–	–
Sundry creditors & accruals	6,829,951	6,532,988	1,242,524	1,242,524
	20,991,810	**26,991,368**	**6,931,857**	**9,362,019**

28. Related parties

Related parties which fall within the definition of a related party as contained in International Accounting Standard 24 comprise companies under common ownership and common management control. At the end of the reporting period significant balances with related parties were as follows:

Companies under common ownership and management control

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Disclosed as dues from related parties	38,233	38,233	4,529,128	4,076,322

These balances are net of provision for doubtful debts established in the previous year of USD 767,359 for the Group and USD 2,286,321 for the Company (Note 11). In the opinion of the management, all these related party balances are fully recoverable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2017

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Disclosed as dues to related parties:				
– Parent company	11,367,008	14,404,788	11,305,593	11,305,593
– Other related parties	31,062	31,147	5,371,517	3,164,436
	11,398,070	**14,435,935**	**16,677,110**	**14,470,029**

All the above balances are interest–free and payable on demand, hence classified as current assets and current liabilities as applicable.

Significant transactions with related parties which the management considers to be in the normal course of business and at terms which correspond with the terms with third parties were as follows:

Companies under common ownership and management control

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Marketing fees	–	–	546,488	546,488
Bad debts written off and				
provision for doubtful debts	–	767,359	–	2,286,321

29. Operating lease commitments

GTL Europe Limited has entered into non–cancellable operating leases and hire purchase contracts for the period of five years. The total of the future lease payments is as follows:

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Not later than one year	12,863	12,863	–	–
Between one and five years	29,532	42,395	–	–
	42,395	**55,258**	**–**	**–**

30. Capital commitment

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
For purchase of investment (Note 16)	–	497,500	–	497,500

31. Fair values of financial instruments

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of the financial assets and financial liabilities which are required to be carried at cost or at amortised cost approximates to their carrying values.

32. Approval of financial statements

These financial statements were approved by the Directors on 18 April 2018.

For **GTL International Limited**

Sukanta Kumar Roy
Director

Milind Vasant Bapat
Director

DIRECTORS' REPORT

The directors are pleased to present their statement to the members together with the audited financial statements of GTL (Singapore) Pte. Ltd. (the "Company") for the financial year ended 31 December 2017.

1 OPINION OF THE DIRECTORS

In the opinion of the directors,

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

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

2 DIRECTORS

The directors of the Company in office at the date of this statement are:
Sukanta Kumar Roy
Milind Vasant Bapat
Mayekar Shivani Shailesh

3 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

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

4 DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

Name of Directors	Direct interest	
	At the beginning of financial year	At the end of financial year
Ordinary shares of the Ultimate Holding Company		
Sukanta Kumar Roy	594	594
Milind Vasant Bapat	15,100	15,100

By virtue of Section 7 of the Companies Act, the above directors with shareholdings are deemed to have an interest in the Company and in all the related corporations of the Company.

5 SHARE OPTIONS

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

6 AUDITORS

The auditors, Messrs. Rohan • Mah & Partners LLP have expressed their willingness to accept re–appointment as auditor.

ON BEHALF OF THE BOARD OF DIRECTORS

Milind Vasant Bapat

Director

Singapore,
9 April 2018

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

GTL (SINGAPORE) PTE. LTD.
(Incorporated in the Republic of Singapore)

Opinion

We have audited the accompanying financial statements of GTL (Singapore) Pte. Ltd. ("the Company"), which comprise the statement of financial position as at 31 December 2017, and the statement of 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 are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 December 2017 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement [set out on pages 1 to 2].

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism 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.

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

Report on Other Legal and Regulatory Requirements

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

RONAN • MAH & PARTNERS LLP

Public Accountants and
Chartered Accountants

Singapore
9 April 2018
(RK/MAISR/FM/JS/JV/FC/fc)

BALANCE SHEET AS AT 31 DECEMBER, 2017

	Notes	**As at 31 Dec 2017**	As at 31 Dec 2016	**As at 31 Dec 2017**	As at 31 Dec 2016
		INR Crores	INR Crores	**USD**	USD
Assets					
Non–current assets					
Property, plant and equipment	3	**0.01**	0.01	**820.95**	1,008.00
Financial assets	4				
Investments		**2.24**	2.38	**349,999.00**	349,999.00
Other non–current assets		**13.41**		**2,096,760.00**	
		15.65	**2.38**	**2,447,579.95**	**351,007.00**
Current assets					
Trade receivables	5	**44.82**	36.75	**7,008,844.39**	5,412,079.00
Cash and cash equivalents	6	**0.60**	9.81	**93,299.92**	1,444,172.00
		45.41	**46.56**	**7,102,144.31**	**6,856,251.00**
Assets classified as held for sale					
		45.41	46.56	**7,102,144.31**	6,856,251.00
Total Assets		**61.07**	48.94	**9,549,724.26**	7,207,258.00
Equity and liabilities					
Equity					
Equity Share Capital	7	**1.92**	2.04	**300,883**	300,883
Other Equity	8	**52.43**	46.22	**8,199,407**	6,805,794
Total Equity		**54.36**	**48.26**	**8,500,290**	**7,106,677**
Current liabilities:					
Financial liabilities					
Trade payables	9	**6.71**	0.68	**1,049,434.09**	100,581.00
		6.71	0.68	**1,049,434.09**	100,581.00
Total liabilities		**6.71**	0.68	**1,049,434.09**	100,581.00
Total equity and liabilities		**61.07**	48.94	**9,549,724.26**	7,207,258.00

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST DEC, 2017

	Notes	Year ended 31st Dec, 2017	Year ended 31st Dec, 2016	Year ended 31st Dec, 2017	Year ended 31st Dec, 2016
		INR in Crore	INR in Crore	USD	USD
Continuing operations					
Revenue from operations	10	**28.23**	21.82	**4,381,668.17**	3,236,200.00
Other income	11	**16.07**	22.79	**2,493,328.32**	3,381,238.00
TOTAL INCOME		**44.30**	**44.61**	**6,874,996.49**	**6,617,438.00**
EXPENSES					
Cost of materials consumed	12	**25.35**	18.59	**3,933,661.70**	2,758,362.00
Depreciation and amortisation expenses	13	**–**	0.19	**187.05**	28,627.00
Other expenses	14	**9.25**	1.54	**1,435,694.57**	228,600.00
TOTAL EXPENSES		**34.60**	**20.32**	**5,369,543.32**	**3,015,589.00**
Profit/(loss) before exceptional items and tax from continuing operations		**9.70**	24.29	**1,505,453.17**	3,601,849.00
Exceptional items		**–**		**–**	
Profit/(loss) before tax from continuing operations		**9.70**	24.29	**1,505,453.17**	3,601,849.00
Tax expenses					
Current tax / Subsidiary Disposed off + Retained earning of Subsidiary Dispose off		**0.72**	0.83	**111,840.00**	122,458.00
Adjustment of tax relating to earlier periods					
Deferred tax credit/(charge)					
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**8.98**	23.46	**1,393,613.17**	3,479,391.00
Discontinued operations:					
Profit/ (loss) for the year from discontinued operations		**–**	**–**	**–**	**–**
Profit/(loss) for the year		**8.98**	23.46	**1,393,613**	**3,479,391**
Other comprehensive income for the year, net of tax		**–**	–	**–**	–
Total Comprehensive Income for the period, net of tax		**8.98**	23.46	**1,393,613.17**	3,479,391.00

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

a. **Equity Share Capital:**

Equity shares issued, subscribed and fully paid

	Nos.	INR Crores	USD
At 1 January 2016	500,000	2.00	300,883
Issue of share capital	–	–	
At 31 December 2016	500,000	2.04	300,883
Issue of share capital	–	–	
At 31 December 2017	500,000	1.92	300,883

b. **Other Equity:**

For the year ended 31 December 2017

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)		
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	In USD
As at 31st December 2016	–	–	–	–	–	–	46.22	–	46.22	6,805,794.00
Net Profit for the period							8.98		8.98	1,393,613.17
Other comprehensive income									–	–
Total comprehensive income	–	–	–	–	–	–	8.98	–	8.98	1,393,613.17
Translation reserves	–	–	–	–	–	–	(2.77)	–	(2.77)	–
As at 31 December 2017	–	–	–	–	–	–	52.43	–	52.43	8,199,407.17

For the year ended 31 December 2016

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)		
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	In USD
As at 1st January 2016	–	–	–	–	–	–	22.10	–	22.10	3,326,403.00
Net Profit for the period							23.46		23.46	3,479,391.00
Other comprehensive income									–	–
Total comprehensive income	–	–	–	–	–	–	23.46	–	23.46	3,479,391.00
Translation reserves	–	–	–	–	–	–	0.66	–	0.66	–
As at 31 December 2016	–	–	–	–	–	–	46.22	–	46.22	6,805,794.00

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2017

	Notes	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
		INR in Crores	INR in Crores	USD	USD
Operating activities					
Profit before tax from continuing operations		**10.22**	24.46	**1,505,453**	3,601,849
Adjustments to reconcile profit before tax to net cash flows:					
Bad Debt		**0.31**	–	**46,375**	–
Depreciation and impairment of property, plant and equipment		**0.00**	0.19	**187**	28,627
Gain/Loss on disposal of property, plant and equipment		**–**	1.08	**–**	159,011
Finance income (including fair value change in financial instruments)_Dividend Income		**(16.09)**	(22.96)	**(2,368,977)**	(3,381,238)
Loss on discount on loan to immediate holding company		**7.25**	–	**1,067,681**	–
Working capital adjustments:					
(Increase)/decrease in trade receivables		**(13.18)**	7.51	**(1,940,260)**	1,106,201
Increase /(decrease) in trade payables, other current and non current liabilities and provisions		**6.44**	(15.23)	**948,855**	(2,243,044)
		(5.03)	(4.95)	**(740,686)**	(728,594)
Income tax paid (including TDS) (net)		**(0.76)**	(0.83)	**(111,840)**	(122,458)
Net cash flows from operating activities		**(5.79)**	**(5.78)**	**(852,526)**	**(851,052)**
Investing activities					
Purchase of Investment Subsidiary		**–**	–		
Amount due from ultimate holding company _ Non Trade		**(14.99)**	(7.67)	**(2,207,079)**	(1,129,020)
Amount due from Subsidiaries _ Trade		**–**	4.90		722,261
Dividend received		**11.60**	12.79	**1,708,733**	1,883,936
Net cash flows from / (used in) investing activities		**(3.38)**	**10.03**	**(498,346)**	**1,477,177**
Financing activities					
Amount due to Ultimate holding Company – None Trade		**–**	(0.02)	**–**	(3,221)
Amount due to Subsiary – None Trade		**–**	–		
Net cash flows from / (used in) financing activities		**–**	**(0.02)**	**–**	**(3,221)**
Net increase / (decrease) in cash and cash equivalents		**(9.17)**	**4.23**	**(1,350,872)**	**622,904**
Translation differences		**–**		**–**	–
Cash and cash equivalents at the beginning of the year		**9.69**	5.46	**1,444,172**	821,268
Cash and cash equivalents at the end		**0.51**	**9.69**	**93,300**	**1,444,172**

SCHEDULES TO THE FINANCIALS FOR THE YEAR ENDED AND AS AT DECEMBER 31, 2017

3. Property, plant and equipment

	Freehold land	Leasehold land	Buildings	Plant & machinery	Furniture & fixtures	Office equipments	Computers	Networking Assets	Test and Repair Equipments	Vehicles	Capital Work in Progress	Total
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores
Cost												
At 1 Jan 2016	–	–	–	–	–	–	**5.44**	–	–	–	–	**5.44**
Additions	–	–	–	–	–	–	–	–	–	–	–	–
Disposals	–	–	–	–	–	–	(5.54)	–	–	–	–	(5.54)
At 31 Dec 2016	–	–	–	–	–	–	**0.02**	–	–	–	–	**209,706.08**
Additions	–	–	–	–	–	–	–	–	–	–	–	–
Disposals	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued operations (Note XX)	–	–	–	–	–	–	–	–	–	–	–	–
At 31 Dec 2017	–	–	–	–	–	–	**0.02**	–	–	–	–	**197,462.16**
Depreciation and impairment												
At 1 Jan 2016	–	–	–	–	–	–	**4.19**	–	–	–	–	**4.19**
Depreciation charge for the year	–	–	–	–	–	–	0.19	–	–	–	–	0.19
Disposals	–	–	–	–	–	–	(4.46)	–	–	–	–	(4.46)
At 31 Dec 2016	–	–	–	–	–	–	**0.01**	–	–	–	–	**141,252.80**
Depreciation charge for the year**	–	–	–	–	–	–	0.00	–	–	–	–	0.00
Disposals	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued operations	–	–	–	–	–	–	–	–	–	–	–	–
At 31 Dec 2017	–	–	–	–	–	–	0.01	–	–	–	–	144,966.32
Net Book Value												
At 31 Dec 2017	–	–	–	–	–	–	0.01	–	–	–	–	52,495.84
At 31 Dec 2016	–	–	–	–	–	–	0.01	–	–	–	–	68,453.28
At 1 Jan 2016	–	–	–	–	–	–	1.25	–	–	–	–	1.25

	Freehold land	Leasehold land	Buildings	Plant & machinery	Furniture & fixtures	Office equipments	Computers	Networking Assets	Test and Repair Equipments	Vehicles	Capital Work in Progress	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Cost												
At 1 Jan 2016							**819,551.00**					**819,551.00**
Additions												–
Disposals							(816,463.00)					(816,463.00)
At 31 Dec 2016	–	–	–	–	–	–	**3,088.00**	–	–	–	–	**3,088.00**
Additions							–					–
Disposals							–					–
Discontinued operations (Note XX)												–
At 31 Dec 2017	–	–	–	–	–	–	**3,088.00**	–	–	–	–	**3,088.00**
Depreciation and impairment												
At 1 Jan 2016							**630,905.00**					**630,905.00**
Depreciation charge for the year							28,627.00					28,627.00
Disposals							(657,452.00)					(657,452.00)
At 31 Dec 2016	–	–	–	–	–	–	**2,080.00**	–	–	–	–	**2,080.00**
Depreciation charge for the year**							187.05					187.05
Disposals												–
Discontinued operations												–
At 31 Dec 2017	–	–	–	–	–	–	2,267.05	–	–	–	–	2,267.05
Net Book Value							–					
At 31 Dec 2017	–	–	–	–	–	–	820.95	–	–	–	–	820.95
At 31 Dec 2016	–	–	–	–	–	–	1,008.00	–	–	–	–	1,008.00
At 1 Jan 2016	–	–	–	–	–	–	188,646.00	–	–	–	–	188,646.00

SCHEDULES TO THE FINANCIALS FOR THE YEAR ENDED AND AS AT DECEMBER 31, 2017

Net Book Value

	At 31 Dec 2017	At 31 Dec 2016	At 31 Dec 2017	At 31 Dec 2016
	INR in Crores	INR in Crores	USD	USD
Plant, property and equipment	**0.01**	0.01	**820.95**	1,008.00
Capital Work in Progress	**–**	–	**–**	–

4. Financial assets

	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	INR in Crores	INR in Crores	USD	USD
Non– Trade				
Unquoted				
Investment in Equity Instruments– subsidiaries	**2.24**	2.38	**349,999.00**	349,999.00
Total Investments	**2.24**	**2.38**	**349,999.00**	**349,999.00**
Total financial assets	**2.24**	**2.38**	**349,999.00**	**349,999.00**

5. Other current assets

	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	INR in Crores	INR in Crores	USD	USD
Trade receivables				
Secured, considered good				
Unsecured, considered good	13.83	3.65	2,162,788.55	537,703.00
Doubtful				
	13.83	3.65	2,162,788.55	537,703.00
Other receivables				
Secured, considered good				
Unsecured, considered good	30.99	33.10	4,846,055.84	4,874,376.00
Doubtful				
	30.99	33.10	4,846,055.84	4,874,376.00
Impairment Allowance (allowance for bad and doubtful debts)				
Unsecured, considered good				
Doubtful				
	–	–	–	–
Total trade receivables	**44.82**	**36.75**	**7,008,844.39**	**5,412,079.00**

6. Cash and cash equivalents

	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	INR in Crores	INR in Crores	USD	USD
Balances with banks				
In current accounts	0.60	9.81	93,299.92	1,444,172.00
Cash on hand	–	–		
	0.60	**9.81**	**93,299.92**	**1,444,172.00**

SCHEDULES TO THE FINANCIALS FOR THE YEAR ENDED AND AS AT DECEMBER 31, 2017

7. Share Capital

Authorised Share Capital

	Equity shares		Preference shares		
	No.	INR in Crores	No. in Crores	INR in Crores	USD in Crores
At 1 Jan 2016	500,000.00	2.00	–	–	300,883
Increase / (decrease) during the year	–	–	–	–	–
At 31 Dec 2016	500,000.00	2.04	–	–	300,883
Increase / (decrease) during the year	–	–	–	–	–
At 31 Dec 2017	500,000.00	1.92	–	–	300,883

Issued equity capital

Equity shares of INR 1 each issued, subscribed and fully paid

	No. in Crores	INR in Crores	USD
At 1 Jan 2016		**2.00**	**300,883**
Changes during the year	–	–	–
At 31 Dec 2016	–	2.04	300,883
Changes during the year	–	–	–
At 31 Dec 2017	**–**	**1.92**	**300,883**

8. Other equity

Balance in Statement of Profit and Loss

	INR in Crores	USD
At 1 Jan 2016	**22.10**	**3,326,403**
Add: Profit during the year	23.46	3,479,391
Translation reserves	0.66	–
At 31 Dec 2016	**46.22**	**6,805,794**
Add: Profit during the year	8.98	1,393,613
Less: Transfer to debenture redemption reserve	(2.77)	–
At 31 Dec 2017	**52.43**	**8,199,407**
Total other equity		
At 1 Jan 2016	**22.10**	**3,326,403**
At 31 Dec 2016	**46.22**	**6,805,794**
At 31 Dec 2017	**52.43**	**8,199,407**

9. Trade payables

	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	INR in Crores	INR in Crores	USD	USD
Trade payables	6.71	0.68	1,049,435.55	100,581.00
Trade payables to related parties	–	–		
	6.71	**0.68**	**1,049,435.55**	**100,581.00**

SCHEDULES TO THE FINANCIALS FOR THE YEAR ENDED AND AS AT DECEMBER 31, 2017

10. Revenue from operations

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 USD	31 Dec 2016 USD
Sale of products (including excise duty)				
Telecom products	–	–	–	–
Rendering of Services	–	–		
Telecom services	28.23	21.82	4,381,668.17	3,236,200.00
	28.23	**21.82**	**4,381,668.17**	**3,236,200.00**

11. Other income

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 USD	31 Dec 2016 USD
Gain on foreign currency transactions (Net)	–	–	–	–
Other non–operating income (Dividend)	16.07	22.79	2,493,328.32	3,381,238.00
	16.07	**22.79**	**2,493,328.32**	**3,381,238.00**

12. Cost of materials consumed

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 USD	31 Dec 2016 USD
Raw Material Consumed	25.35	18.59	3,933,661.70	2,758,362.00
Inventory at the beginning of the year	–	–		
Add: Purchases	–	–		
	25.35	**18.59**	**3,933,661.70**	**2,758,362.00**
Less: inventory at the end of the year	–	–		
Cost of raw material and components consumed	25.35	18.59	3,933,661.70	2,758,362.00

13. Depreciation and amortization expense

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 USD	31 Dec 2016 USD
Depreciation of tangible assets (note 3)	0.00	0.19	187.05	28,627.00
	–	**0.19**	**187.05**	**28,627.00**

14. Other expenses

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 USD	31 Dec 2016 USD
Communication expenses	–	–		–
Legal and professional charges	0.06	0.09	10,063.61	13,340.00
Loss/(Gain) on sale of fixed assets/asset disposed off (net)	–	1.07	–	159,011.00
Miscellaneous expenses	9.19	0.38	1,425,632.96	56,249.00
	9.25	**1.54**	**1,435,696.57**	**228,600.00**

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2017

These notes from an integral part of and should be read to conjunction with the accompanying financial statements.

1 CORPORATE INFORMATION

GTL (Singapore) Pte. Ltd. is a limited liability company incorporated in Singapore with its registered office at 8 Shenton Way #21–07, AXA Tower, Singapore 068811.

The principal activities of the Company are to carry on the business of information technology and telecommunications and to act as importers, exporters, advisers and consultants of information technology and telecommunication hardware and software, information technology and telecommunications requisites and supplies of all kinds and to identify sources for equipment and services for specific information technology and telecommunication projects.

The Company is a wholly–owned subsidiary of GTL International Limited, incorporated in Bermuda. The ultimate holding company is GIL Limited, a company incorporated in India. Related corporations in these financial statements refer to members of ultimate holding company's group of companies.

The financial statements of the Company for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the Directors on 9 April 2018.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements, expressed in United States Dollar (USD or US$) are prepared based on the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. There are no critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement or complexity except as disclosed in Note 17.

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are relevant to the Company and are effective for annual financial periods beginning on or before 1 January 2017. The adoption of these standards did not have any material effect on the financial statements.

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning before 1 January 2017 and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards.

Description	Effective for annual periods beginning on or after
FRS 115 Revenue from Contracts with Customers	1 Jan 2018
Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
FRS 109 Financial Instruments	1 Jan 2018
Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 116 Leases	1 Jan 2019
Amendments to FRS 102: Classification and Measurement of Share Based Payment Transactions	1 Jan 2018

2.2 Basis of Consolidation

These financial statements are the separate financial statements of GTL (Singapore) Pte. Ltd. The Company is exempted from the preparation of consolidated financial statements by virtue of FRS 27 "Consolidated and Separate Financial Statements" as the Company's ultimate holding company is GTL Limited, incorporated in India, which produces consolidated financial statements available for public use. The registered address of GTL Limited is as follows: Global Vision, Electronic Sadan II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai, 400710, India.

2.3 Plant And Equipment

2.3.1 Measurement

Items of plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

2.3.2 Components of Costs

The cost of an item of plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2.3.3 Depreciation

Depreciation is provided on the reducing balance method so as to write off the cost of plant and equipment over their estimated useful lives as follows:

Particulars	Years
Computers	5

The useful lives of plant and equipment are reviewed and adjusted as appropriate at each balance sheet date.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

Capital work–in–progress is not depreciated as the asset is not yet available for use.

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2017

2.3.4 Subsequent Expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in the Statement of comprehensive income during the financial year in which it is incurred.

2.3.5 Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the Statement of comprehensive income.

2.4 Subsidiaries

Subsidiaries are entities (including special purpose entities) over which the Company has power to govern the financial and operating policies so as to obtain benefits from its activities.

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

2.5 Impairment of Non–Financial Assets

2.5.1 Investment in Subsidiaries

Investment in subsidiary is stated at cost less accumulated impairment losses in the Company's statement of financial position. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of an investment in subsidiary, the difference between net disposal proceeds and its carrying amount is taken to the statement of comprehensive income.

2.5.2 Plant and Equipment

Plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the Cash Generating Unit to which the asset belongs to.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the income statement unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the income statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

2.6 Financial Assets

2.6.1 Initial Recognition and Measurement

Financial assets are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

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

2.6.2 Subsequent Measurement

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

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2017

(ii) Loans and receivables

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

(iii) Held–to–maturity investments

Non–derivative financial assets with fixed or determinable payments and fixed maturity are classified as held–to–maturity when the Company has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held–to–maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the held–to–maturity investments are derecognised or impaired, and through the amortisation process.

(iv) Available–for–sale financial assets

Available–for–sale financial assets include equity and debts securities. Equity investments classified as available–for–sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available–for–sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

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

2.6.3 Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2.7 Impairment of Financial Assets

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

2.7.1 Financial Assets Carried at Amortised Cost

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

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

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.7.2 Financial Assets Carried at Cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at 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 current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.7.3 Available–For–Sale Financial Assets

In the case of equity investments classified as available–for–sale, objective evidence of impairment includes

(i) significant financial difficulty of the issuer or obligor;

(ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered;

(iii) and a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2017

If an available–for–sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available–for–sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

2.8 Financial Liabilities

2.8.1 Initial Recognition and Measurement

Financial liabilities are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

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

2.8.2 Subsequent Measurement

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

(i) Financial liabilities at fair value through profit or loss

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

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

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

(ii) Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortization process.

2.8.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.9 Foreign Currency

2.9.1 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 Company operates ("the functional currency"). The financial statements are presented in United States Dollar (US$), which is the Company's functional and presentation currency.

2.9.2 Foreign Currencies Transactions

Foreign currency transactions during the year are translated into recording currencies at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into United States Dollar at the exchange rates ruling at balance sheet date. Exchange gains and losses are dealt with in the Statement of comprehensive income.

2.10 Related Parties

A related party is defined as follows:

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

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Company or of a parent of the Company.

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

(iv) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(v) One entity is an associate or joint venture of the other entity (or and associate or joint venture of a member of a group of which the other entity is a member);

(vi) Both entities are joint ventures of the same third party;

(vii) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2017

(viii) The entity is a post–employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(ix) The entity is controlled or jointly controlled by a person identified in (a); or

(x) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(xi) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2.11 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and short–term, highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Company's cash management.

2.12 Fair Value Estimation

The fair values of financial instruments traded in active markets are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets held by the Company are the current bid prices; the appropriate quoted market prices for financial liabilities are the current ask prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used where appropriate. Other techniques, such as estimated discounted cash flows, are also used to determine the fair values of the financial instruments.

The carrying amounts of current receivables and payables are assumed to approximate their fair values. The fair values of non–current receivables for disclosure purposes are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Company for similar financial instruments.

2.13 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre–tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.15 Leases

2.151.Operating Leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of comprehensive income on a straight–line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.15.2Finance Leases

Leases of assets in which the Company assumes substantially the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is taken to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.16 Finance Costs

Interest expense and similar charges are expensed in the profit and loss account in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognised in the statement of comprehensive income using the effective interest rate method.

2.17 Interest–Bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are 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.

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2017

2.18 Revenue Recognition

Revenue for the Company is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty or rebates and discounts and after eliminating sales within the Company. The following specific recognition criteria must also be met before revenue is recognised:

2.18.1 Sale of Goods

Revenue from the sale of goods is recognised when the Company has delivered the products to the customers and the customers have accepted the products.

2.18.2 Rendering of Service

Project management and execution services are recognised based on the acceptance received from the customer for the milestone achieved.

Monthly staff allocation revenue is recognised upon receipt of the customer acknowledgement of the monthly timesheet.

2.18.3 Dividend income

Dividend income is recognised when the shareholding's right to receive has been established.

2.19 Employee Benefits

2.19.1 Defined Contribution Pension Costs

Defined contribution plans are post–employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The Company's contributions.

2.19.2 Short–term Employee Benefits

Short–term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.20 Income Taxes

Current income tax liabilities (and assets) for the current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax assets/liabilities are recognised for all deductible taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax assets/liabilities arise 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 accounting nor taxable profit or loss.

Deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are measured at:

(i) the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date; and

(ii) the tax consequence that would follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in the statement of comprehensive income for the period, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax on temporary differences arising from the revaluation gains and losses on land and buildings, fair value gains and losses on available–for–sale financial assets and cash flow hedges, and the liability component of convertible debts are charged or credited directly to equity in the same period the temporary differences arise. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.21 Government Grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

Jobs credit grants, which are government grants given to match staff and business costs, are recognised in the month of payment only as certain conditions have to be fulfilled before payment.

2.22 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is primarily determined on a first–in first out basis and includes all costs in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from their existing state to a finished condition.

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2017

3 PLANT AND EQUIPMENT

	Computers US$	Total US$
2017		
Cost		
At beginning and end of year	3,088	3,088
Accumulated Depreciation		
At beginning of year	2,080	2,080
Depreciation	187	187
At end of year	2,267	2,267
Carrying Amount		
At end of year	821	821
2016		
Cost		
At beginning of year	819,551	819,551
Disposal	(816,463)	(816,463)
At end of year	3,088	3,088
Accumulated Depreciation		
At beginning of year	630,905	630,905
Depreciation	28,627	28,627
Disposal	(657,452)	(657,452)
At end of year	2,080	2,080
Carrying Amount		
At end of year	1,008	1,008

4 INVESTMENT IN SUBSIDIARIES

	2017 US$	2016 US$
Unquoted shares, at cost	574,999	574,999
Less: Provision for impairment		
Balance at beginning and end of year	(225,000)	(225,000)
	349,999	349,999

Details of the subsidiaries are as follows:

Name	Country of incorporation and business	Principal activities	Effective equity held by the Company (%) 2017	2016
PT GTL Solutions Indonesia #	Indonesia	Management consulting services in telecommunication and system	100	100
GTL Nepal Pvt Limited *	Nepal	Management consulting services in telecommunication and system	100	100
iGTL Myanmar Limited ^	Myanmar	Consultancy, project management, supervision,operations and maintenance services associated with network services.	100	100

As at the balance sheet date, investments in PT GTL Solutions Indonesia have been fully impaired.

Audited by Gatot Victor, Indonesia

* Audited by Joshi & Bhandary, Nepal

^ Audited by Win Thin & Associates, Myanmar

5 TRADE AND OTHER RECEIVABLES

	2017 US$	2016 US$
Trade receivables (Note 6)	1,795,339	537,703
Other receivables (Note 7)	7,310,308	4,874,376
	9,105,607	**5,412,079**

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2017

The amounts in trade and other receivables are presented and disclosed as follows

	2017 US$	2016 US$
Non–Current		
Other receivables (Note 7)	2,096,760	–
Current	–	–
Trade receivables (Note 6)	1,795,339	537,703
Other receivables (Note 7)	5,213,508	4,874,376
	7,008,847	5,412,079
	9,105,607	**5,412,079**

The carrying amounts of trade and other receivables approximate their fair values and are denominated in the following currencies:

	2017 US$	2016 US$
Burmese Kyat	965,108	–
Nepalese Rupee	1,403,869	958,737
Singapore Dollar	–	1,201
United States Dollar	6,736,630	4,452,141
	9,105,607	**5,412,079**

6. TRADE RECEIVABLES

	2017 US$	2016 US$
Trade receivables	41,359	275,779
Amount due from subsidiaries	1,753,980	261,924
	1,795,339	**537,703**

Trade receivables are non–interest bearing and are generally on 0 – 45 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The maximum exposure of credit risk for trade receivables at the reporting date is US$1,795,339 (2016: US$537,703).

The aging of trade receivables at the reporting date is:

	Gross 2017	Impairment losses 2017	Gross 2016	Impairment losses 2016
	US$	US$	US$	US$
Current	1,138,247	–	288,188	–
Past due 31 – 120 days	9,167	–	–	–
Past due 121 – 365 days	647,925	–	193,000	–
Past due 365 days	–	–	56,515	–
	1,795,339	–	1,795,339	–

Based on historical default rates, the Company believes that no impairment allowance is necessary in respect of trade receivables not past due and past due up to 365 days. These receivables are mainly arising by customers that have good record with the Company.

7 OTHER RECEIVABLES

	2017 US$	2016 US$
Non–Current (Note 5)		
Loan to immediate holding company#	2,096,760	
Current (Note 5)		
Amount due from immediate holding company –non–trade	2,207,081	3,164,441
Amount due from third party — non–trade	270,000	
Advance to supplier'	367,450	
Dividend receivables—	2,368,977	1,708,733
GST receivables		1,202
	5,213,508	4,874,376
	7,310,308	**4,874,376**

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2017

#Loan to immediate holding company is unsecured, interest–free and repayable within three years. The Company has provided financial assistance in order to meet operational requirement of GTL International Limited, immediate holding company.

Amount due from immediate holding company is unsecured, non–interest bearing and repayable on demand.

“This pertains to 70% advances made to supplier, Qingdao Huijintong Power Equipment Co. Ltd for the delivery of telecom material for Hybrid tower which was delivered on 22 January 2018.

Dividends for year–ended 2017 amounting to U$487,806 was received after year–end. All prior year dividend receivables were received during the year.

a CASH AND CASH EQUIVALENTS

	2017 US$	2016 US$
Cash and bank	93,300	1,444,172

The carrying amounts of cash and cash equivalents approximate their fair values and are denominated in the following currencies:

	2017 US$	2016 US$
Singapore Dollar	62,181	173,252
United States Dollar	31,119	1,270,920
	93,300	**1,444,172**

9 TRADE AND OTHER PAYABLES

	2017 US$	2016 US$
Trade payables	1,017,290	83,743
Accruals	19,206	15,215
Advance from customer	11,100	
Other payables	1,841	1,623
	1,049,437	100,581

These amounts are non–interest bearing. Trade payables are normally settled on 60–day terms while other payables have an average term of six months.

The carrying amounts of trade and other payables approximate their fair values and are denominated in the following currencies:

	2017 US$	2016 US$
Singapore Dollar	21,047	16,838
United States Dollar	1,028,390	83,743
	1,049,437	100,581

10 SHARE CAPITAL

	2017		2016	
	No of shares	US$	No of shares	US$
Ordinary shares issued and fully paid At beginning and end of the year	500,000	300,883	500,000	300,883

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 restriction and have no par value.

11 REVENUE

The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2017 US$	2016 US$
Product income	1,106,055	–
Service income	3,275,613	3,236,200
	4,381,668	3,236,200

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2017

12. OTHER INCOME

	2017 US$	2016 US$
Dividend income	2,368,977	3,381,238
Realised foreign exchange gain	28,657	–
Unrealised foreign exchange gain	13,782	–
Trade payable written back	81,912	–
	2,493,328	**3,381,238**

13. OTHER EXPENSES

Other expenses include:

	2017 US$	2016 US$
Realised foreign exchange loss	–	7,258
Legal and professional fee	10,064	13,340
Loss on disposal of plant and equipment	–	159,011
Loss on discount on loan to immediate holding company	1,067,281	–
Marketing fee	268,000	–
Subscription fee	**236**	**1,383**

14 TAXATION

Major components of income tax expense are as follows:

	2017 US$	2016 US$
Current year taxation Foreign withholding tax	111,840	122,458
	111,840	**122,458**

A reconciliation between the tax expense and the product of accounting profit and loss multiplied by the applicable tax rate are as follows:

	2017 US$	2016 US$
Profit before taxation	1,505,453	3,601,849
Income tax on profit before tax at 17%	255,927	612,314
Adjustments:		
Non–deductible expenses	181,538	31,898
Income not subjected to tax	(402,726)	(574,810)
Utilisation of capital allowances	(34,738)	(69,402)
Foreign withholding tax	111,840	122,458
Tax expense	**111,840**	**122,458**

Unrecognised deferred tax assets:

Deferred tax assets in respect of the following items have not been recognised in the financial statements as the probability of future taxable profits being available to utilise such benefits cannot be reliably established:

	2017 US$	2016 US$
Differences in tax written down value and net book value of plant and equipment	(139)	(171)
Unutilised capital allowances	80,139	138,016
Unutilised tax losses	213,501	232,639
	293,500	**370,484**

The company's unutilised capital allowances and tax losses are available for offset against future taxable profits subject to the agreement of the tax authorities and compliance with certain provisions of the Singapore Income Tax Act, Cap.134.

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2017

15 SIGNIFICANT RELATED PARTIES TRANSACTIONS

Significant related parties transactions on terms agreed between the Company and its related parties are as follows:

Immediate Holding Company

	2017 US$	2016 US$
Expenses incurred on behalf	287,161	–
Sales	–	346,471
Funds provided to	3,245,000	3,300,000
Funds transfer from	(1,008,208)	–
Transfer of intercompany balances	**(316,872)**	**–**
Subsidiaries		
Dividend from	(2,368,977)	(3,381,238)
Services rendered to	(2,006,055)	(2,085,000)
Withholding tax incurred for	31,500	–
Funds provided to	**–**	**3,995,000**
Related companies		
Services rendered from	316,872	2,614,300
Funds provided to		2,200,000
Transfer of intercompany balance	**(316,872)**	

Balances with related parties at the balance sheet date are set out in Note 6 and 7.

Key management personnel compensation

Key management personnel compensation for the financial year is as follows:

	2017 US$	2016 US$
Directors of the Company:	26,327	30,313
Director's fees	**111,840**	**122,458**

16 FINANCIAL INSTRUMENTS

Categories of Financial Instruments

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and financial liabilities:

	2017 US$	2016 US$
Financial Assets		
Loans and receivables:		
Trade and other receivables	8,738,157	5,410,877
Cash and cash equivalents	93,300	1,444,172
	8,831,457	6,855,049
Financial Liabilities		
Financial liabilities measured at amortised cost:		
Trade and other payables	1,038,337	100,581

Financial Risk Management Objectives and Policies

The main risks arising from the Company's financial instruments are credit, foreign currency, liquidity risks and interest rate. The policies of managing each of these risks are summarised below:

Credit Risk

The credit risk refers to the risk that counter parties may default on their contractual obligations resulting in a financial loss to the Company. The Company's customer portfolio is diversified and there is no reliance on any customer. These exposures are monitored and provision for potential credit losses is adjusted when necessary. The aggregate amount of its trade and other receivables and bank balance represents the Company maximum exposure to credit risk.

Cash and bank balances are placed with reputable local financial institutions. Therefore, credit risk arises mainly from the inability of the Company's customers to make payments when due. The amounts presented in the statement of financial position are net of allowances for impairment of trade receivables, estimated by management based on prior experience and the current economic environment.

Information regarding financial assets that are either past due or impaired is disclosed in Note 6 (Trade Receivables).

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2017

Foreign Currency Risk

Foreign currency risk arises from change in foreign exchange rates that may have an adverse effect on the Company in the current reporting period and in the future years. The Company relies on natural hedges of matching foreign currency denominated assets and liabilities. Consistent effort has also been employed by the company to keep track of exchange rate fluctuations such that funds are converted at favorable exchange rates.

The Company's exposure to foreign currency is as follows:

	Burmese Kyat US$	Nepalese Rupee US$	Singapore Dollar US$
2017			
Trade and other receivables	965,108	1,403,869	
Cash and cash equivalents			62,181
Trade and other payables			(21,047)
	965,108	1,403,869	41,134
2016			
Trade and other receivables		958,737	1,201
Cash and cash equivalents			173,252
Trade and other payables			(16,838)
		958,737	**157,615**

Sensitivity analysis

A 5% strengthening of United States Dollar against the following currencies at the reporting date would increase/(decrease) profit or loss (before tax) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Statement of Comprehensive Income US$
2017	
Burmese Kyat	(48,255)
Nepalese Rupee	(70,193)
Singapore Dollar	(2,057)
	(120,505)
2016	
Nepalese Rupee	(47,937)
Singapore Dollar	(7,880)
	(55,817)

A 5% weakening of United States Dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

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 equivalent.

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

	Within 1 year	Within 2 to 5 years	More than 5 years	Total
	US$	US$	US$	US$
2017				
Financial Assets				
Trade and other receivables	6,641,397	2,096,760	–	8,738,157
Cash and cash equivalents	93,300	–	–	93,300
Total undiscounted financial assets	**6,734,697**	**2,096,760**	–	**8,831,457**
Financial Liabilities				
Trade and other payables	1,038,337	–	–	1,038,337
Total undiscounted financial liabilities	**1,038,337**	–	–	**1,038,377**
Total net undiscounted				
Financial liabilities	**5,696,360**	**2,096,760**	–	**7,793,120**

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2017

	Within 1 year US$	Within 2 to 5 years US$	More than 5 years US$	Total US$
2016				
Financial Assets				
Trade and other receivables	5,410,877	–	–	5,410,877
Cash and cash equivalents Total undiscounted financial assets	1,444,172	–	–	1,444,172
	6,855,049	**–**	**–**	**6,855,049**
Financial Liabilities				
Trade and other payables Total undiscounted financial liabilities	100,581	–	–	100,581
	100,581	–	–	100,581
Total net undiscounted financial assets/(liabilities)	6,754,468	–	–	6,754,468

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Company has no significant interest–bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

Fair Value of Financial Instruments

As at the end of the financial year, the Company has no financial assets or financial liabilities that are carried at fair value measurements.

The carrying amounts of financial assets and financial liabilities of the Company recorded at amortised cost in the financial statements approximate their fair values due to their short term nature

17 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

Estimates and judgement 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.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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.

Impairment of investment and financial assets

The Company follows the guidance of FRS 36 and FRS 39 in determining when an investment or financial assets is other–than–temporary impaired. This assessment requires significant judgement. The Company evaluates, among other factors, the duration and extent to which the fair value of an investment or financial asset is less than its cost; and the financial health of and near–term business outlook for the investment or financial asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Revenue recognition

The Company's revenue from fixed price contracts is recognised using proportionate completion method. Balance revenue is recognised at the time of receipt of customer acceptance.

Proportionate completion is measured based upon the efforts incurred to date in relation to the total estimated efforts to complete the contract. The Company monitor estimates of total contract revenue and cost on routine basis throughout the delivery period.

18 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to maximize shareholder's value.

The Company manages its capital structure and make adjustments to it, in light of changes in the working capital requirements, business performance and 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 period ended 31 December 2017 and 31 December 2016.

The Company will continue to be guided by prudent financial policies of which gearing is an important aspect. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	2017 US$	2016 US$
Net debts	956,137	
Total equity	8,500,290	7,106,677
Total capital	9,456,427	7,106,677

Gearing Ratio 0.10

The Company does not have any externally imposed capital requirements for the financial year ended 31 December 2017 and 31 December 2016.

DIRECTORS' REPORT

We submit our report and the audited financial statements for the year ended 31 December 2017.

Review of business and performance

The Company is engaged in the business of rendering telecommunication services.

The Company achieved revenue of AED 2.06 million as compared to AED 9.55 million in the previous period and an overall gross profit margin of 42.2% as compared to 40.8% in the previous year. The overhead expenses of AED 4,163,630 incurred during the year as compared to AED 5,894,133.

Consequently, the Company incurred a loss of AED 2,790,884 for the year against a loss of AED 1,957,703 in the previous year.

Events since the end of the year

There are no significant events since the end of the year.

Shareholder and its interest

The Shareholder as at 31 December 2017 and its interest in the share capital of the Company as at that date was as follows:

Name	Number of shares	AED
GTL International Limited, Bermuda	50	50,000

Management responsibilities

The Implementing Regulations No. 1/03 of the Dubai Multi Commodities Centre Authority, requires the Directors to prepare the financial statements in accordance with the International Financial Reporting Standards which give a true and fair view of the state of affairs of the Company and of profit/loss for each financial year. We confirm that we are responsible for these financial statements, which have been prepared in conformity with the statutory requirements and the International Financial Reporting Standards, including selecting the accounting policies and making the judgements underlying them. We confirm that we have made available all relevant accounting records and information for compilation of these financial statements and that all transactions have been recorded and are reflected in the financial statements.

Auditors

M/s. Behl, Lad & Al Sayegh – Chartered Accountants are proposed as auditors of the Company for the next year.

Sukanta Kumar Roy Director	**Sandhya Patel** Director

Date : April 6, 2018

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the accompanying financial statements of **GTL Overseas (Middle East) DMCC (the Company), Dubai, UAE,** which comprises the statement of financial position as at **31 December 2017,** and the statements of profit or loss and other comprehensive income, changes in Shareholder's funds and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 4 to 17.

In our opinion, the financial statements present fairly, in all material respects, the financial position of **GTL Overseas (Middle East) DMCC as of 31 December 2017** and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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

Emphasis of Matter

We draw attention to Note 2 (b) to the financial statements, which states the reasons for preparation of the financial statements on a going concern basis and to Note 20 to the financial statements which indicates total reliance on fellow subsidiaries for the revenue.

Our opinion is not modified in respect of these matters.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and its preparation in compliance with the applicable provisions of the requirements of Implementing Regulations No. 1/03 of Dubai Multi Commodities Centre Authority, the Memorandum and Articles of Association of the Company and for such internal control as management determines is necessary to enable the preparation of 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 relating 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.

Management and those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

The objectives of our audit 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 the aggregate, they could reasonable be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

As required by the Implementing Regulations No. 1/03 of the Dubai Multi Commodities Centre Authority, read with the UAE Federal Law No. (2) of 2015 on Commercial Companies, we further report that:

i) we have obtained all the information and explanations as we considered necessary for the purpose of our audit;

ii) the financial statements have been prepared and comply, in all material respects, with the the requirements of the applicable provisions of the Regulations No. 1/03 issued by Dubai Multi Commodities Centre Authority, read with the UAE Federal Law No. (2) of 2015 and International Financial Reporting Standards;

iii) proper books of account have been kept by the Company;

iv) the financial information contained in the Directors' report, in so far as it relates to these financial statements is consistent with the books of account of the Company;

v) Note 19 to the financial statements discloses material related party transactions and the terms under which they were transacted; and

vi) based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year under audit any of the applicable provisions of the Regulations No. 1/03 issued by Dubai Multi Commodities Centre Authority, read with the UAE Federal Law No. (2) of 2015 on Commercial Companies or the Memorandum of Association of the Company have occurred during the year, which would have had a material effect on the business of the Company or on its financial position as at 31 December 2017.

Behl, Lad & Al Sayegh
Vasant Lad
Partner
Registration No. 299

6 April 2018
Dubai, United Arab Emirates

BALANCE SHEET AS AT 31 DECEMBER 2017

(All amounts in ₹ crore, unless otherwise stated)

Particulars	Notes	As at 31 December 2017	As at 31 December 2016	As at 31 December 2017	As at 31 December 2016
		INR Crores	INR Crores	AED	AED
Assets					
Non–current assets					
Property, plant and equipment	3	**0.00**	0.41	**0**	223,035
Other non–current assets	4	**0.02**	0.04	**9,000**	24,000
		0.02	**0.46**	**9,000**	**247,035**
Current assets					
Financial assets					
Trade receivables	5	**0.13**	–	**75,038**	–
Cash and cash equivalents	6	**3.08**	2.88	**1,765,675**	1,549,639
Other receivables	7	**0.11**	0.18	**64,186**	95,251
Other current assets	8	**0.36**	3.02	**204,101**	1,622,790
		3.68	**6.08**	**2,109,000**	**3,267,680**
Assets classified as held for sale					
		3.68	**6.08**	**2,109,000**	**3,267,680**
Total Assets		**3.70**	**6.54**	**2,118,000**	**3,514,715**
Equity and liabilities					
Equity					
Equity Share Capital	9	**0.09**	0.09	**50,000**	50,000
Other Equity	10	**(22.61)**	(18.89)	**(12,943,290)**	(10,152,406)
Total Equity		**(22.53)**	**(18.79)**	**(12,893,290)**	**(10,102,406)**
Non–current liabilities:					
Financial liabilities					
Trade payables	11	**–**	–	**–**	–
Provisions	12	**0.15**	0.16	**87,126**	86,042
		0.15	0.16	**87,126**	86,042
Current liabilities:					
Financial liabilities					
Trade payables	13	**26.07**	25.17	**14,924,164**	13,531,079
Current tax liabilities (net)					
		26.07	**25.17**	**14,924,164**	**13,531,079**
Total liabilities		**26.23**	25.33	**15,011,290**	13,617,121
Total equity and liabilities		**3.70**	**6.54**	**2,118,000**	**3,514,715**

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST DECEMBER, 2017

(All amounts in ₹ crore, unless otherwise stated)

Particulars	Notes	Year ended 31st Dec, 2017 INR Crores	Year ended 31st Dec, 2016 INR Crores	Year ended 31st Dec, 2017 AED	Year ended 31st Dec, 2016 AED
Continuing operations					
Revenue from operations	14	**3.63**	17.63	**2,059,380**	9,548,351
Other income	15	**0.89**	0.07	**503,002**	36,887
TOTAL INCOME		**4.52**	**17.70**	**2,562,382**	**9,585,238**
EXPENSES					
Cost of materials consumed		**–**	–	**–**	–
Purchases of stock–in–trade	16	**–**	8.14	**–**	4,407,945
Changes in inventories of finished goods, stock–in–trade and work–in–progress		**–**	–	**–**	–
Employee benefits expenses	17	**3.42**	3.39	**1,941,355**	1,833,561
Finance costs		**–**	–	**–**	–
Depreciation and amortisation expenses	18	**0.13**	0.14	**69,190**	75,384
Other expenses	19	**5.87**	9.64	**3,342,720**	5,226,051
TOTAL EXPENSES		**9.42**	**21.31**	**5,353,265**	**11,542,941**
Profit/(loss) before exceptional items and tax from continuing operations		**(4.90)**	(3.61)	**(2,790,884)**	(1,957,703)
Exceptional items					
Profit/(loss) before tax from continuing operations		**(4.90)**	(3.61)	**(2,790,884)**	(1,957,703)
Tax expenses					
Current tax					
Adjustment of tax relating to earlier periods					
Deferred tax credit/(charge)					
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**(4.90)**	**(3.61)**	**(2,790,884)**	**(1,957,703)**
Discontinued operations:					
Profit/ (loss) for the year from discontinued operations		**–**	–	**–**	–
Profit/(loss) for the year		**(4.90)**	(3.61)	**(2,790,884)**	(1,957,703)
Other comprehensive income for the year, net of tax		**–**	–	**–**	–
Total Comprehensive Income for the period, net of tax		**(4.90)**	(3.61)	**(2,790,884)**	(1,957,703)

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

a. Equity Share Capital:

Equity shares issued, subscribed and fully paid	Nos.	INR Crores	AED
At 1 January 2016	**50,000**	**0.09**	**50,000**
Issue of share capital (Note 17)	–	–	
At 31 December 2016	**50,000**	**0.09**	**50,000**
Issue of share capital (Note 17)	–	–	
At 31 December 2017	**50,000**	**0.09**	**50,000**

b. Other Equity:

For the year ended 31 December 2017

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)		
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	In AED
As at 31st December 2016	–	–	–	–	–	–	(18.89)	–	(18.89)	(10,152,406)
Net Profit for the period							(4.90)		(4.90)	(2,790,884)
Translation reserve							1.18		1.18	–
Total comprehensive income	–	–	–	–	–	–	(3.73)	–	(3.73)	(2,790,884)
Dividends	–	–	–	–	–	–	–	–	–	–
Transfer from debenture redemption reserve	–	–	–	–	–	–	–	–	–	–
Transfer from Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–	–
Transfer to general reserve	–	–	–	–	–	–	–	–	–	–
Transfer to Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–	–
As at 31 December 2017	**–**	**–**	**–**	**–**	**–**	**–**	**(22.61)**	**–**	**(22.61)**	**(12,943,290)**

For the year ended 31 December 2016

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)		
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	In AED
As at 1st January 2016	–	–	–	–	–	–	(14.91)	–	(14.91)	(8,194,703.00)
Net Profit for the period							(3.61)		(3.61)	(1,957,703.00)
Other comprehensive income							(0.36)		(0.36)	–
Total comprehensive income	–	–	–	–	–	–	(3.97)	–	(3.97)	(1,957,703.00)
Impact of translation of financials into INDAS									–	–
Dividends	–	–	–	–	–	–	–	–	–	–
Transfer from debenture redemption reserve	–	–	–	–	–	–	–	–	–	–
Transfer from Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–	–
Transfer to general reserve	–	–	–	–	–	–	–	–	–	–
Transfer to Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–	–
As at 31 December 2016	–	–	–	–	–	–	(18.89)	–	(18.89)	(10,152,406.00)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

Particulars	Notes	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 AED	31 Dec 2016 AED
Operating activities		**(4.90)**	(3.61)	**(2,790,883.95)**	(1,957,703.00)
Profit before tax from continuing operations					
Profit/(loss) before tax from discontinued operations					
Profit before tax		**(4.90)**	(3.61)	**(2,790,883.95)**	(1,957,703.00)
Adjustments to reconcile profit before tax to net cash flows:					
Rent deposit & staff advance written off		**1.93**	–	**1,104,999.00**	–
Gain on disposal of property, plant and equipment		**0.20**	(0.00)	**112,680.00**	(2,350.00)
Excess provision written back		**(0.87)**	–	**(499,978.00)**	
Depreciation on plant & equipment		**0.12**	0.14	**69,190.00**	75,384.00
Bad debts written off and provision for doubtful debts		**–**	6.85	**–**	3,710,597
Working capital adjustments:					
Increase /(decrease) in provision for bad & doubtful debts/advances					
Increase /(decrease) in provision for gratuity & Compensated absences					
(Increase)/decrease in trade receivables		**1.29**	(6.58)	**739,813**	–3,564,900
Decrease in prepayments		**0.05**	0.04	**29,882**	19928
(Increase)/decrease in other current and non current assets					
(Increase)/decrease in staff end of service gratuity provision		**0.00**	0.07	**1,084**	40,016
Increase /(decrease) in trade payables, other current and non current liabilities and provisions		**(0.17)**	6.35	**(95,769.00)**	3,440,762.00
		(2.35)	3.26	**(1,328,982.95)**	1,761,734.00
Income tax paid (including TDS) (net)					
Net cash flows from operating activities		**(2.35)**	**3.26**	**(1,328,982.95)**	**1,761,734.00**
Investing activities					
Proceeds from sale of property, plant and equipment		**0.09**	0.06	**51,000.00**	33,900.00
Purchase of property, plant and equipment (including CWIP)		**(0.02)**	(0.05)	**(9,835.00)**	(27,573.00)
Deposits placed during the year		**0.03**	(0.01)	**15,000.00**	(3,000.00)
Net cash flows from / (used in) investing activities		**0.10**	**0.01**	**56,165.00**	**3,327.00**
Financing activities					
(Payments to) / receipts from Parent Company		**2.60**	(6.35)	**1,488,854.00**	(3,439,989.00)
Receipts from related parties		**–**	4.15		2,245,975.00
Interest paid					
Proceeds from long term borrowings					
Repayment of long term borrowings					
Proceeds from short term borrowings					
Repayment of short term borrowings					
Fixed deposits with banks held as margin money					
Payment of dividend					
Dividend distribution tax					
Net cash flows from / (used in) financing activities		**2.60**	**(2.21)**	**1,488,854.00**	**(1,194,014.00)**
Net increase / (decrease) in cash and cash equivalents		**0.35**	**1.06**	**216,036.05**	**571,047.00**
Translation effects					
Cash and cash equivalents at the beginning of the year		**2.84**	1.78	**1,549,639.00**	978,592
Cash and cash equivalents at the end		**3.19**	**2.84**	**1,765,675.05**	**1,549,639.00**

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AND AS AT 31 DECEMBER 2017

Note 3: Property, plant and equipment

	Freehold land	Leasehold land	Buildings	Plant & machinery	Furniture & fixtures	Office equipments	Computers	Networking Assets	Test and Repair Equipments	Vehicles	Capital Work in Progress	Total	Plant & machinery	Furniture & fixtures	Office equipments	Computers	Total
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	AED	AED	AED	AED	AED
Cost																	
At 1 January 2016				**–**	**0.59**	**0.04**	**0.04**					**0.67**	**–**	**324,515**	**19,620**	**23,219**	**367,354**
Additions				–	–	–	0.05					0.05				27,573	27,573
Disposals				–	0.01	0.00	(0.01)					(0.00)				(8,647)	(8,647)
At 31 December 2016	**–**	**–**	**–**	**–**	**0.60**	**0.04**	**0.08**	**–**	**–**	**–**	**–**	**0.72**	**–**	**324,515**	**19,620**	**42,145**	**386,280**
Additions				–	–	–	0.02					0.02				9,835	9,835
Disposals				–	(0.60)	(0.04)	(0.10)					(0.74)		(324,515)	(19,620)	(51,980)	(396,115)
Discontinued operations (Note XX)												–					–
At 31 December 2017	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Depreciation and impairment																	
At 1 January 2016				**–**	**0.12**	**0.02**	**0.03**					**0.18**	**–**	**65,830**	**12,704**	**17,974**	**96,508**
Depreciation charge for the year				–	0.12	0.01	0.01					0.14	–	64,903	5,926	4,555	75,384
Disposals				–	0.01	0.00	(0.02)					(0.01)				(8,647)	(8,647)
At 31 December 2016	**–**	**–**	**–**	**–**	**0.24**	**0.03**	**0.03**	**–**	**–**	**–**	**–**	**0.30**	**–**	**130,733**	**18,630**	**13,882**	**163,245**
Depreciation charge for the year**				–	0.10	0.00	0.03					0.12		54,090	450	14,650	69,190
Disposals				–	(0.34)	(0.04)	(0.05)					(0.43)		(184,823)	(19,080)	(28,532)	(232,435)
Discontinued operations												–					–
At 31 December 2017	**–**	**–**	**–**	**–**	**0.00**	**–**	**(0.00)**	**–**	**–**	**–**	**–**	**(0.00)**	**–**	**0**	**–**	**(0)**	**(0)**
Net Book Value																	
At 31 December 2017	**–**	**–**	**–**	**–**	**(0.00)**	**–**	**0.00**	**–**	**–**	**–**	**–**	**0.00**	**–**	**(0)**	**–**	**0**	**0**
At 31 December 2016	**–**	**–**	**–**	**–**	**0.36**	**0.00**	**0.05**	**–**	**–**	**–**	**–**	**0.41**	**–**	**193,782**	**990**	**28,263**	**223,035**
At 1 January 2016	**–**	**–**	**–**	**–**	**0.47**	**0.01**	**0.01**	**–**	**–**	**–**	**–**	**0.49**	**–**	**258,685**	**6,916**	**5,245**	**270,846**

Net Book Value

	At 31 December 2017	At 31 December 2016	At 1 January 2016
	INR in Crores	INR in Crores	INR in Crores
Plant, property and equipment	**0.00**	0.41	0.49
Capital Work in Progress	–	–	–

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2017

Note 4: Other non–current assets

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	AED	AED
Advances other than capital advances				
Security Deposits	**0.02**	0.04	**9,000**	24,000
Others				
	0.02	**0.04**	**9,000**	**24,000**

Note 5: Trade and other receivables

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	AED	AED
Trade receivables				
Receivables from an associate				
Receivables from other related parties		–	**–**	–
Total Trade and other receivables	**–**	**–**	**–**	**–**
Trade receivables				
Secured, considered good				
Unsecured, considered good	**1.79**	2.70	**1,026,826**	1,451,766
Doubtful	**–**			
	1.79	**2.70**	**1,026,826**	**1,451,766**
Other receivables				
Secured, considered good				
Unsecured, considered good				
Doubtful				
	–	**–**	**–**	**–**
Impairment Allowance (allowance for bad and doubtful debts)				
Unsecured, considered good				
Doubtful	**(1.66)**	(2.70)	**(951,788)**	(1,451,766)
	(1.66)	**(2.70)**	**(951,788)**	**(1,451,766)**
Total trade receivables	**0.13**	**–**	**75,038**	**–**

Note 6: Cash and cash equivalents

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	AED	AED
Balances with banks				
In current accounts	**3.08**	2.88	**1,765,674**	1,549,639
	3.08	**2.88**	**1,765,674**	**1,549,639**

Note 7: Other receivables

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	AED	AED
Other receivables	**0.04**	–	**21,228**	
Other loans and advances	**0.08**	0.18	**42,958**	95,251
	0.11	0.18	**64,186**	95,251

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2017

Note 8: Other current assets

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	AED	AED
Others	**0.36**	3.02	**204,100**	1,622,790
	0.36	3.02	**204,100**	1,622,790

Note 9: Share Capital

Authorised Share Capital

	Equity shares		Preference shares		Equity
	No.	INR in Crores	No. in Crores	INR in Crores	AED
At 1 January 2016	50,000.00	0.09	–	–	50,000.00
Increase / (decrease) during the year	–	–	–	–	
At 31 December 2016	50,000.00	0.09	–	–	50,000.00
Increase / (decrease) during the year	–	–	–	–	
At 31 December 2017	**50,000.00**	**0.09**	**–**	**–**	**50,000.00**

Issued equity capital

Equity shares of INR 1 each issued, subscribed and fully paid	No. in Crores	INR in Crores	AED
At 1 January 2016	50,000.00	0.09	50,000.00
Changes during the year	–	–	
At 31 December 2017	50,000.00	0.09	50,000.00
Changes during the year	–	–	
At 31 December 2018	**50,000.00**	**0.09**	**50,000.00**

Note 10: Other equity

Balance in Statement of Profit and Loss

	INR in Crores	AED
At 1 January 2016	**(14.91)**	**(8,194,703)**
Add: Profit during the year	(3.61)	(1,957,703)
Less: Translation reserve	(0.36)	–
At 31 December 2016	**(18.89)**	**(10,152,406)**
Add: Profit during the year	(4.90)	(2,790,883)
Less: Translation reserve	1.18	
At 31 December 2017	**(22.61)**	**(12,943,289)**

Total other equity

At 1 January 2016	**(14.91)**	**(8,194,703)**
At 31 December 2016	**(18.89)**	**(10,152,406)**
At 31 December 2017	**(22.61)**	**(12,943,290)**

Note 11: Trade payables (None Current)

	31 Dec 2017	31 Dec 2016	1 Jan 2016	31 Dec 2017	31 Dec 2016	1 Jan 2016
	INR in Crores	INR in Crores	INR in Crores	AED	AED	AED
Trade payables						
Trade payables to related parties	–	–	–			
	–	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2017

Note 12: Provisions

	31 Dec 2017	31 Dec 2016	1 Jan 2016	31 Dec 2017	31 Dec 2016	1 Jan 2016
	INR in Crores	INR in Crores	INR in Crores	AED	AED	AED
Provision for Employee Benefits						
Gratuity	**0.15**	0.16	0.08	**87,126**	86,042	46,026
	0.15	**0.16**	**0.08**	**87,126**	**86,042**	**46,026**

Note 13: Trade payables (Current)

	31 Dec 2017	31 Dec 2016	1 Jan 2016	31 Dec 2017	31 Dec 2016	1 Jan 2016
	INR in Crores	INR in Crores	INR in Crores	AED	AED	AED
Trade payables	**0.41**	0.61	2.31	**232,080**	327,848	1,267,086
Trade payables to related parties	**25.67**	24.56	41.92	**14,692,085**	13,203,231	23,037,391
	26.07	**25.17**	**44.23**	**14,924,164**	**13,531,079**	**24,304,477**

Note 14: Revenue from operations

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	AED	AED
Rendering of Services				
Telecom services	**3.63**	17.63	**2,059,379.52**	9,548,351.00
Other Operating Revenue				
	3.63	**17.63**	**2,059,379.52**	**9,548,351.00**

Note 15: Other income

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	AED	AED
Profit on sale of fixed assets	**0.01**	0.00	**3,024.00**	2,350.00
Other non–operating income	**0.88**	0.06	**499,978.00**	34,537.00
	0.89	**0.07**	**503,002.00**	**36,887.00**

Note 16: Purchases of stock–in–trade

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	AED	AED
Inventory at the beginning of the year				
Add: Purchases of stock in trade :	–	8.14	–	4,407,945.00
Add: Purchase of material (Other than for trade) and services:				
	–	8.14	–	4,407,945.00
Less: inventory at the end of the year				
Purchases of stock–in–trade	**–**	**8.14**	**–**	**4,407,945.00**

Note 17: Employee benefits expenses

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	AED	AED
Salaries, wages and bonus	**3.42**	3.39	**1,941,355.00**	1,833,561.00
Staff welfare expense				
Recruitment and training				
	3.42	**3.39**	**1,941,355.00**	**1,833,561.00**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2017

Note 18: Depreciation and amortization expense

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	AED	AED
Depreciation of tangible assets (note 3)	**0.13**	0.14	**69,190.14**	75,384.00
	0.13	**0.14**	**69,190.14**	**75,384.00**

Note 19: Other expenses

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	AED	AED
Business promotion expenses	**1.47**	0.36	**835,590.26**	192,582.00
Non network rent	**0.34**	0.45	**195,286.02**	243,723.00
Landlord agreement termination charges	**0.62**		**350,000.00**	
Communication expenses	**0.01**	0.10	**7,327.75**	55,313.00
Bad debts / advances written off	**–**	4.17		2,258,831.00
Provision for bad and doubtful debts/advances	**–**	2.68		1,451,766.00
Rent deposit & staff advance written off	**1.95**	–	**1,104,999.00**	–
Gain on foreign currency transactions (Net)	**–**	0.72	**–**	387,492.00
Loss on sale of fixed assets	**0.20**	–	**112,680.30**	
Miscellaneous expenses	**1.29**	1.17	**736,837.00**	636,344.00
	5.87	**9.64**	**3,342,720.33**	**5,226,051.00**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2017

1. Legal status and business activities

a) **GTL Overseas (Middle East) DMCC** (the **Company**) is a limited liability company registered under Service Licence No. DMCC–33830 and Registration No. DMCC 4921 issued by the Dubai Multi Commodities Centre Authority, Dubai on 30 March 2014, in accordance with the provisions of Dubai Multi Commodities Centre Authority. The registered office of the Company is Unit No. 33, DMCC Business Centre, Level No. 8, Jewellery & Gemplex 2, Dubai, United Arab Emirates.

b) The Company's licensed activities are rendering of telecommunication services.

c) The Company is a wholly–owned subsidiary of GTL International Limited (the Parent company), registered in Bermuda.

d) The Ultimate Holding company is **GTL Limited, India,** a public limited liability company in India. The registered office of the Ultimate Holding company is Global Vision, Electronic Sadan No. 2, MIDC, TTC Industrial Area, Mahape, Navi Mumbai, Maharashtra, India 400 710.

2. Basis of preparation

a) Statement of compliance

These financial statements are prepared under the historical cost convention and in conformity with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and the requirements of Regulations No. 1/03 issued by Dubai Multi Commodities Centre Authority and International Financial Reporting Standards, read with UAE Federal Law No. (2) of 2015.

The following standards and amendments are effective for the first time from the current year, however they do not apply to the Company or do not have any material impact on the Company's financial statements as they merely clarify the existing requirements and do not affect the Company's accounting policies or any other dislcosures.

– Recognition of Deferred Tax Assets for Unrealized Losses – Amendments to IAS 12.

– Disclosure Initiative – Amendments to IAS 7.

– Annual Improvements 2014–2016 cycle: Amendments to IFRS 12 – The amendments clarify that the disclosure requirements of IFRS 12 apply to interests in entities that are classified as held for sale, except for the summarized financial information.

b) Going concern basis of accounting

At the end of the period, the Company had accumulated losses of AED 12,943,290, which have eroded its entire share capital. However, the Parent company has confirmed its intention to continue with the operations of the Company and it has undertaken to provide their continuing financial support to the Company to meet is payment obligations as and when they fall due for payment. It has also contributed funds to the extent of AED 14,353,621 by way of its current account at the reporting date. Accordingly, the financial statements have been prepared on a going concern basis.

c) Functional and presentation currency

These financial statements have been presented in UAE Dirham (AED), being the currency of the primary economic environment in which the Company operates. The figures have been rounded off to the nearest UAE Dirham.

d) Use of significant estimates, assumptions and judgements

Based on the historical experience and reasonable expectations of future events, the management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and disclosure of contingencies and commitments. These relate to lives of items of property and equipment and their residual values, provision for doubtful trade receivables and provisions for staff end–of–service gratuity.

Impairment of assets

At each reporting date, financial assets are assessed to determine whether there is any evidence of impairment which is judged by default or delinquency by a debtor, its creditworthiness, the age of the debts and the management experience.

In the case of non–financial assets a review is made to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated and impairment loss is recognised in the statement of profit or loss, if the carrying amount of the asset exceeds its recoverable amount.

e) New and amended standards

Applicable from the current year

The Company intends to adopt the following standards, if applicable when they become effective.

– IFRS 15 – Revenue from contracts with customers and associated amendments to various other standards. This establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 – Revenue, IAS 11 – Construction Contracts and IFRIC 13 – Customer Loyalty Programmes – Effective 1 January 2018.

– IFRS 16 – Leases – Effective date 1 January 2019.

– Disclosure Initiative – Amendments to IAS 1.

– Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28.

– IFRS 9 Financial Instruments and associated amendments to various other standards – This standard published in July 2014. replaces the existing guidance in IAS 39 – Financial Instruments, Recognition and Measurements. This includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39 – Effective 1 January 2018.

– Classification and Measurement of Share–based Payment Transactions – Amendments to IFRS 2 – Effective 1 January 2018.

– Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – Amendments to IFRS 4 – Effective 1 January 2018 or when the entity first applies IFRS 9.

– Annual Improvements 2014 – 2016 Cycle – Effective 1 January 2018.

– Transfer of Investment Property – Amendments to IAS 40 – Effective 1 January 2018.

– Interpretation 22 Foreign Currency Transactions and Advance Consideration – Effective 1 January 2018.

– IFRS 17 Insurance Contracts – Effective 1 January 2021.

3. Summary of significant accounting policies

The significant accounting policies adopted and which have been consistently applied are as follows:

a) Revenue and direct costs recognition

– Revenue

Sales represents the amount invoiced for goods delivered and services rendered during the year, net of discounts and returns. Sale of goods is recognised when significant risks and rewards relating to the ownership of goods concerned are transferred to the customer. Revenue from services is recognised by reference to the stage of

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2017

completion. Stage of completion is measured with reference to surveys of work performed. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

– **Direct costs**

Direct costs of purchases includes costs of direct materials, direct labour and other direct costs which are directly identifiable with the costs of contracts revenue generated and interest element in respect of usance letters of credit relating to the purchases, which is directly identifiable.

b) Leases

Leases under which substantially all the risks and rewards of ownership of the related asset remain with the lessor are classified as operating leases and the lease payments are charged to the statement of profit or loss on a straight–line basis over the period of the lease.

c) Foreign currency transactions

Transactions in foreign currencies are translated into UAE Dirham at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirham at the rate of exchange ruling at the end of the reporting period. Non–monetary items that are measured at historical cost in a foreign currency are not translated. These items that are measured at a fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Gains or losses resulting from settlement of foreign currency transactions and from the translation at the year–end exchange rates of monetary assets and liabilities are recognized in the statement of profit or loss on net basis as either foreign exchange gains or foreign exchange losses and included in other income or other expenses respectively.

d) Property and equipment

Recognition and measurement

Items of property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Gains/losses on disposal are determined by reference to their carrying amount and are included in the statement of profit or loss.

An assessment of residual values is undertaken at each end of the reporting period and if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Depreciation

The cost of furniture, fixtures and office equipment less estimated residual value, where material, is depreciated using the straight–line method from the date of acquisition to their estimated useful lives of 4 years.

Impairment

At each end of the reporting period, management assesses the property and equipment to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

e) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the First–In–First–Out (FIFO) method and comprises invoice value plus applicable landing charges. Net realizable value is based on estimated selling price less any estimated selling expenses and cost of completion and disposal.

Estimate for inventory write–down and reversals

Based on an annual review of the Company's inventories the management assesses the likely realization proceeds by taking into account the purchase and replacement prices of goods, technological changes, age, likely obsolescence and physical damage to the goods and the price at which they are being invoiced to estimate the write–down required.

Inventory write–downs or reversals of write–downs are included in 'Cost of revenue'.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash, balances in bank current accounts and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit.

g) Trade payables, provisions and accruals

Liabilities are recognized for amounts to be paid in future for goods and services rendered, whether or not billed to the Company.

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

h) Staff end–of–service gratuity

Provision is made for end–of–service gratuity payable to the staff at the end of the reporting period in accordance with the requirements of Dubai Multi Commodities Centre Authority assuming that all employees were to leave as at the end of the reporting period (Note 17).

i) Statement of cash flows

Statement of cash flows is prepared segregating the cash flows from operating, investing and financing activities based on the nature of items. Cash flows under the operating activities are reported using the indirect method, whereby profit/(loss) is adjusted for the effects of transactions of non–cash nature, any deferrals or accruals of past or future of cash receipts and payments and for items of income and expenses which are reflected in investing or financial activities.

j) Non–derivative financial assets and liabilities

– ***Receivables***

Receivables are those financial assets that have fixed or determinable payments and for which there is no active market are initially recognised at fair value plus any directly attributable transactions costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. These comprise trade and other receivables, bank balances and due from a related party.

Trade receivables represent amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less they are classified as current assets otherwise as non–current assets. These are carried at the invoiced amounts less an estimate of provision for doubtful receivables based on a review of all outstanding amounts at the year–end. Bad debts are written off when identified.

– ***Financial liabilities***

The financial liabilities comprise bank borrowings, trade and other payables, dues to related parties and Shareholder's current account.

Derecognition of financial assets and liabilities

The Company derecognizes a financial asset when its contractual rights to cash flows from the assets cease and any interest in such derecognised financial assets that is created or retained

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2017

by the Company is recognised as a separate asset. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

4. Risk management

The Company's activities expose it to a variety of financial risks such as credit risk, market prices risk and liquidity risks as follows:

a) Credit risk

This is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's customers, related parties and banks.

The credit risk, where relevant is explained in the notes on the related account balances, namely trade receivables {Note 14 (a)}, due from a related party (Note 19) and cash and bank balances (Note 15).

b) Market price risk

These are the risks arising from changes in market prices, such as foreign exchange rates and interest rates which would affect the Company's income or the value of its holdings of financial instruments. The management strives to manage market risk exposures within acceptable parameters, while optimising the return.

– Currency risk

The currency risk, where relevant is explained in the note on the related account balances, namely trade receivables {Note 14 (b)} and bank balances (Note 15).

c) Liquidity risk

This is the risk where the Company may encounter difficulty in meeting its financial liabilities that are either settled in cash or exchange of another financial asset.

Management monitors its cash requirements to ensure adequacy of funding from the Parent company. If necessary, funds are arranged from the Shareholder and Group companies to ensure that the payment obligations are met on time. For the purpose of effective management of the working capital, the Company strives to strike a balance between the credit period allowed by its suppliers with that allowed to its customers and the inventory holding levels are also kept under constant review to ensure their optimum levels.

5. Capital management

Capital consists of share capital, Shareholder's current account net of accumulated losses, which measured at AED 1,460,331 as at the end of the reporting period. The Company strives to maintain financial ratios at acceptable levels under the prevailing economic conditions and the risks encountered and to achieve reasonable rate of return to the Parent company.

6. Cost of revenue

	2017	**2016**
	AED	AED
Direct turnkey project expenses (Note 19)	**–**	4,406,606
Direct labour costs (Note 10)	**1,189,636**	1,240,863
Vehicle rental charges	**–**	1,339
	1,189,636	5,648,808

7. Other income

	2017	**2016**
	AED	AED
Excess provision written back {Note 14 (c)}	**499,978**	–
Foreign exchange gains (net)	**3,024**	
Gain on disposal of property and equipment	**–**	2,350
Miscellaneous income	**–**	34,537
	503,002	36,887

8. Selling expenses

	2017	**2016**
	AED	AED
Staff salaries and benefits (Note 10)	**–**	414,213
Business promotion expenses	**835,590**	192,582
	835,590	**606,795**

9. Administrative expenses

	2017	**2016**
	AED	AED
Staff salaries and benefits (Note 10)	**751,719**	178,485
Rent	**195,287**	243,723
Depreciation of property and equipment (Note 12)	**69,190**	75,384
Communication expenses	**7,328**	55,313
Professional & consultancy expenses	**456,920**	–
Landlord agreement termination charges	**350,000**	–
Other administrative expenses	**279,917**	636,344
	2,110,361	**1,189,249**

10. Staff costs

	2017	**2016**
	AED	AED
Staff salaries and benefits	**1,940,271**	1,793,545
Staff end–of–service gratuity (Note 17)	**1,084**	40,016
	1,941,355	1,833,561
Included under:		
Cost of revenue (Note 6)	**1,189,636**	1,240,863
Selling expenses (Note 8)	**–**	414,213
Administrative expenses (Note 9)	**751,719**	178,485
	1,941,355	1,833,561

11. Other expenses

	2017	**2016**
	AED	AED
Loss on disposal of property and equipment	**112,680**	–
Rent deposit & staff advance written off	**1,104,999**	–
Bad debts written off	**–**	2,258,831
Provision for doubtful debts {Note 14 (c)}	**–**	1,451,766
Foreign exchange losses (net)	–	387,492
	1,217,679	**4,098,089**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2017

12. Property and equipment

(Furniture, fixtures and office equipment)

	2017 AED	2016 AED
Opening balance	**–**	386,280
Accumulated depreciation	**–**	(163,245)
Closing balance	**–**	223,035

Reconciliation of net book values		
Opening balance	**223,035**	270,846
Additions during the year	**9,835**	27,573
Disposals during the year:		
– Cost	**(396,115)**	(8,647)
– Accumulated depreciation	**232,435**	8,647
Depreciation for the year (Note 9)	**(69,190)**	(75,384)
Closing balance	**–**	223,035

13. Non–current financial assets

These represent deposits with the DMCC for issuance of staff visas. These deposits are intended to be held for period longer than one year from the end of reporting period.

14. Trade and other receivables

	2017 AED	2016 AED
Trade receivables	**1,026,826**	1,451,766
Less: Provision for doubtful debts	**(951,788)**	(1,451,766)
Trade receivables (net)	**75,038**	–
Deposits	**4,100**	1,573,790
Advance to a supplier {(a) (iii)}	**200,000**	49,000
Other receivables	**21,228**	–
Staff advances	**88**	22,498
	300,454	1,645,288

a) Credit risk

i) The Company's customers are internationally reputed telecommunication services–providing companies. The management regularly monitors the outstanding amounts and follows up for recovery with periodic calls and visits to the customers.

ii) At the end of reporting period, the trade receivables were due from two customers out of which one customer situated in Sultanate of Oman (previous year: entire balance due from a customer situated in Sultanate of Oman). In the previous year, an amount of AED 10,774,745 due from a related party based in Singapore was transferred to the Shareholder (Note 19 & Page 6).

iii) The advance to a supplier has been cleared subsequent to the end of reporting period on receipt of goods.

b) Currency risk

The Company sells services in foreign currencies. Exposure is minimized where possible by denominating such transactions in US Dollar to which the UAE Dirham is fixed. At the end of the reporting period, there was no exchange rate risk as all trade receivables are either denominated in UAE Dirham or US Dollar.

c) Impairment

The age analysis of trade receivables as at the end of the reporting period was as follows:

	2017 AED	2016 AED
Neither past–due nor impaired (0–180 days)	**75,038**	–
Past–due (above one year) – (refer Note below)	**951,788**	1,451,766
Total	**1,026,826**	**1,451,766**

The balance of AED 951,788 in the age–band of 'Above one year' is due from a customer in the Sultanate of Oman and the management has decided to provide for this full debt as doubtful of recovery.

The movement in the provision for doubtful debts during the year was as follows:

	2017 AED	2016 AED
Opening balance	**1,451,766**	1,451,766
Less: Excess provision for doubtful debts written back (Note 7)	**(499,978)**	–
Closing balance	**951,788**	1,451,766

15. Cash and cash equivalents

	2017 AED	2016 AED
Cash on hand	**646**	11,310
Bank balances in current accounts	**1,765,029**	1,538,329
	1,765,675	1,549,639

The Company's bank accounts are placed with reputed banks. Bank balances include AED 1,700,164 denominated in Great Britain Pound Sterling (previous year: AED 160,599).

16. Share capital

	2017 AED	2016 AED
50 shares of AED 1,000 each	50,000	50,000

17. Provision for staff–of–service gratuity

	2017 AED	2016 AED
Opening balance	86,042	46,026
Add: Provision for the year (Note 10)	1,084	40,016
Closing balance	**87,126**	**86,042**

18. Trade and other payables

	2017 AED	2016 AED
Trade payables	**20,548**	21,603
Other payables and accrued expenses	**211,531**	306,245
	232,079	327,848

Other payables and accrued expenses includes provision for cost of revenue of AED 9,000 (previous year: AED 120,202).

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2017

19. Related parties

Related parties which fall within the definition of a related party as contained in International Accounting Standard 24 comprises the Parent company, the Ultimate Holding company and fellow subsidiaries, being the companies under common ownership and common management control. At the end of the reporting period, significant balances with related parties were as follows:

Fellow subsidiaries

	2017 AED	2016 AED
Disclosed as dues to related parties:		
GTL Limited, India (Ultimate Holding company)	**224,778**	224,778
GTL ADACELL India Limited, India	**113,686**	113,686
	338,464	338,464

All the related party balances are interest–free and payable on demand, hence classified as current assets and current liabilities as applicable.

Parent company

Current account (Page 6)	**14,353,621**	12,864,767

Significant transactions with related parties during the year which the management considers to be in the normal course of business and at terms which correspond with the terms with third parties were as follows:

Fellow subsidiaries

Revenue	**2,059,380**	9,548,351
Credit balance of a fellow subsidiary assumed (Page 6)	**–**	4,380,000

Parent company

Direct turnkey project expenses included in cost of revenue (Note 6)	**–**	4,380,000
Fellow subsidiary balance included in trade receivables transferred {Note 14 (a) (ii) & Page 6}	**–**	10,774,745

20 Fair values of financial instruments

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of the financial assets and financial liabilities which are required to be carried at cost or at amortised cost approximates to their carrying values.

21 Approval of financial statements

These financial statements were approved by the Board of Directors and authorised for issue on 6 April 2018.

For **GTL Overseas (Middle East) DMCC**

Sukanta Kumar Roy Director	**Sandhya Patel** Director

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their strategic report for the year ended 31 December 2017.

Principal activity

The principal activity of the company is telecommunication engineering services and consultancy

Fair review of the business

Throughout the year, the Company has performed well by having a stable business. There have been some challenges because of change in business model by a key customer, having off shored and setting up subsidiary companies to work in direct competition. In addition, delay in work completion sign off by some customers has led to delay in revenue recognition as well as in receivables' management. However, the Company has shown remarkable resilience by sustaining and growing most of the existing contracts and adding new customers. Towards the end of current period, the Company has been recognised as a Major Service Provider (MSP) by one of the biggest Mobile Operators in UK. This development is expected to boost the Company's prospects, giving a sound platform for next level of growth.

The turnover of the Company increased from £24,472,232 in year 2016 to £25,555,083 in year 2017, with operating profit reducing from £1,813,253 to £1,742,543.

Key Performance Indicators (KPIs)

KPIs used by Management are Gross Margin and Operating Profit, which can he determined from the information on Page 9.

Marketplace Overview

The Company has positioned itself well as a provider of niche network services, with particular strengths in Project Management. The ongoing implementation of 4G / LTE technology provides good business opportunities for the near future. The Mobile Operators have already started planning for the upcoming 5G technology, and the Company sees itself playing a key role by getting involved in the early stages of this initiative. The market is also maturing for Internet of Things (IoT) and it continues to be an interesting area for GTL to carve a niche in the sphere of Device Management, Sensor Management, Data Analytics etc.

GTL has focused this year on expanding its direct business with Tier 1 Mobile Operators, particularly where we grew EE and Telefonica as direct customers for significant business levels as compared to previous years.

Market Risk

The main risks facing the Company are:

- Continual price pressure from customers
- Extended payment terms requested by customers
- Existing customers off shoring or setting up subsidiary companies to work in direct competition
- Delay in work completion sign off by some customers, leading to delay in revenue recognition as well as in receivables' management

Financial Risk

The Company has got positive cash flow and payment terms with major customers as well as with contractors are fixed. We are not expecting a change to those payment terms, hence do not foresee any major financial risk in the immediate future.

Principal risks and uncertainties

The directors monitor performance through the production of management accounts on a monthly basis. Additionally, the directors monitor key performance indicators on a monthly basis to ensure they are within acceptable parameters. These include gross margins, operating profits, earnings before interest, tax, working capital, customer service and cash flows from operating activities.

Future developments

Most Mobile Operators have been focusing on improving the quality of their existing networks. This presents a good opportunity for the Company to secure its business for near future. The rollout of upcoming 5G technology is expected to give a huge boost to opportunities that will become available in telecom sector. The Company is investing in augmenting its capabilities, as also its engagement with most Mobile Operators, to be in a good position to benefit from these opportunities

Strategy

In the subsequent years, the company will focus on stability, growth and innovation on a strategic level as follows:

Stability

The company aims to:

- Ensure security and stability of existing projects
- Expand the existing model to challenge competitors carrying out similar business
- Identify new areas of business and shape the business accordingly

Growth

The company aims to:w

- Set up a Professional Services Division to address manpower requirements across diverse projects
- Sell similar services to other customers
- Expand on current projects
- Focus on high–end services in Network Planning, Design & Optimisation
- Tie–ups in pipeline with Application Providers

Innovation

The company aims to:

- Be a true white label service provider
- Position now offerings in in liaison with software / application providers for Optimisation, Benchmarking and Customer Experience Management
- Identify Synergies and Consolidate Managed Services
- Prepare cutting–edge offerings in the field of JOT and Automation

Approved by the Board on 16 March 2018 and signed on its behalf by:

Mr. Neeraj Satpall
Director

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors of the company

The directors who held office during the year were as follows:
Mr. Neeraj Satpall

Mr. Sukanta Kumar Roy (appointed 15 March 2017)

Mr. Pinakin Gandhi (Director resigned 15 March 2017)

Future Developments

Please refer to the Strategic Report on page 3.

Financial Instruments

Please refer to the Accounting policies.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re–appointment of Kajaine Limited as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 16 March 2018 and signed on its behalf by:

Mr. Neeraj Satpall
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF STRATEGIC REPORT, DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors acknowledge their responsibilities for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102, ' The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also

responsible for safeguarding the assets of the company and hence for, taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT

To the Members of GTL Europe Limited

Opinion

We have audited the financial statements of GTL Europe Limited (the 'company') for the year ended 31 December 2017, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities or directors

As explained more fully in the Statement of Directors' Responsibilities in respect of Strategic report, Directors' Report and the Financial statements [set out on page 5], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional skepticism 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 the directors.
- Conclude on the appropriateness of the directors' 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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.

Amanjit Singh FCA

(Senior Statutory Auditor)
For and on behalf of
Kajaine Limted,
Statutory Auditor
Kajaine House
57–67 High Street
Edgware HA8 7DD

Date

BALANCE SHEET AS AT 31 DECEMBER, 2017

(All amounts in Rs. crores, unless otherwise stated)

	Notes	As at 31 Dec 2017	As at 31 Dec 2016	As at 31 Dec 2017	As at 31 Dec 2016
		INR Crores	INR Crores	GBP	GBP
Assets					
Non–current assets					
Property, plant and equipment	1	0.11	0.40	12,332	59,316
Financial assets	2				
Investments		0.00	0.00	2	2
Loans		–	–	–	–
Other financial assets		–	–	–	–
		0.11	**0.40**	**12,334**	**59,318**
Current assets					
Inventories	3	–	–	–	–
Financial assets					
Investments		–	–	–	–
Trade receivables	4	57.66	39.53	6,682,095	5,820,597
Cash and cash equivalents	5	3.80	12.02	440,775	1,770,263
		61.47	**51.55**	**7,122,870**	**7,590,860**
Assets classified as held for sale					
		61.47	**51.55**	**7,122,870**	**7,590,860**
Total Assets		**61.57**	**51.95**	**7,135,204**	**7,650,178**
Equity and liabilities					
Equity					
Equity Share Capital	6	4.31	3.40	500,000	500,000
Other Equity	7	0.44	2.36	50,678	347,533
Total Equity		**4.75**	**5.76**	**550,678**	**847,533**
Current liabilities:					
Financial liabilities					
Trade payables	8	56.82	46.20	6,584,526	6,802,645
Current tax liabilities (net)					
		56.82	**46.20**	**6,584,526**	**6,802,645**
Total liabilities		56.82	46.20	6,584,526	6,802,645
Total equity and liabilities		**61.57**	**51.95**	**7,135,204**	**7,650,178**

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST DECEMBER, 2017

	Notes	Year ended 31st Dec, 2017 INR	Year ended 31st Dec, 2016 Restated* INR	Year ended 31st Dec, 2017 GBP	Year ended 31st Dec, 2016 Restated* GBP
Continuing operations					
Revenue from operations	9	**222.22**	211.14	**25,555,083**	24,472,232
Other income	10	**0.00**	0.00	**6**	3
TOTAL INCOME		**222.22**	**211.14**	**25,555,089**	**24,472,235**
EXPENSES					
Cost of materials consumed	11	**183.64**	175.54	**21,118,205**	20,346,217
Employee benefits expenses	12	**8.89**	9.30	**1,022,825**	1,077,502
Finance costs	13	**0.66**	0.83	**75,876**	96,068
Depreciation and amortisation expenses	14	**0.44**	0.49	**50,761**	56,394
Other expenses	15	**13.43**	9.34	**1,544,873**	1,082,798
TOTAL EXPENSES		**207.06**	**195.50**	**23,812,540**	**22,658,979**
Profit/(loss) before exceptional items and tax from continuing operations		**15.16**	**15.64**	**1,742,549**	**1,813,256**
Exceptional items					
Profit/(loss) before tax from continuing operations		**15.16**	**15.64**	**1,742,549**	**1,813,256**
Tax expenses		**(2.99)**	(3.17)	**(344,404)**	(366,953)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**12.17**	**12.48**	**1,398,145**	**1,446,303**
Discontinued operations:					
Profit/(loss) for the year		**12.17**	**12.48**	**1,398,145**	**1,446,303**
Other Comprehensive Income					
Other comprehensive income for the year, net of tax		**–**	–	**–**	–
Total Comprehensive Income for the period, net of tax		**12.17**	**12.48**	**1,398,145**	**1,446,303**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

a. Equity Share Capital:

Equity shares of INR XX each issued, subscribed and fully paid

	No. in Crores	INR Crores
At 1 Jan 2016	500,000.00	3.32
Issue of share capital (Note 17)	–	–
At 31 December 2016	500,000.00	3.40
Issue of share capital (Note 17)	–	–
At 31 December 2017	500,000.00	4.31

b. Other Equity:

For the year ended 31 December 2017

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)		
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	in GBP
As at 1st Jan 2017	**–**	**–**	**–**	**–**	**–**	**–**	**2.36**	**–**	**2.36**	**347,533**
Net Profit for the period							12.71		12.71	1,398,145
Other comprehensive income									–	–
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**12.71**	**–**	**12.71**	**1,398,145**
Dividends	–	–	–	–	–	–	14.63	–	14.63	1,695,000
Transfer from debenture redemption reserve	–	–	–	–	–	–	–	–	–	–
Transfer from Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–	–
Transfer to general reserve	–	–	–	–	–	–	–	–	–	–
Transfer to Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–	–
As at 31 December 2017	**–**	**–**	**–**	**–**	**–**	**–**	**0.44**	**–**	**0.44**	**50,678**

For the year ended 31 December 2016

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)		
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	in GBP
As at 1st Jan 2016	**–**	**–**	**–**	**–**	**–**	**–**	**3.99**	**–**	**3.99**	**601,230**
Net Profit for the period							9.91		9.91	1,446,303
Other comprehensive income									–	–
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**9.91**	**–**	**9.91**	**1,446,303**
Impact of translation of financials into INDAS									–	–
Dividends	–	–	–	–	–	–	11.54	–	11.54	1,700,000
Transfer from debenture redemption reserve	–	–	–	–	–	–	–	–	–	–
Transfer from Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–	–
Transfer to general reserve	–	–	–	–	–	–	–	–	–	–
Transfer to Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–	–
As at 31 December 2016	**–**	**–**	**–**	**–**	**–**	**–**	**2.36**	**–**	**2.36**	**347,533**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

Note (Exempted to prepare cashflow as pr FRS 102 as subsidiary undertaking where 90% or more of the voting right are held within the Group)	Notes	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 GBP	31 Dec 2016 GBP
Operating activities					
Profit before tax from continuing operations		15.04	15.12	1,742,549	1,813,256
Profit/(loss) before tax from discontinued operations		–	–		
Profit before tax		15.04	15.12	1,742,549	1,813,256
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation and impairment of property, plant and equipment		0.44	0.47	50,761	56,394
Amortisation and impairment of intangible assets		–	–		
Gain/Loss on disposal of property, plant and equipment		–	–		
Finance income (including fair value change in financial instruments)_Dividend Income		–	–		
Finance costs (including fair value change in financial instruments)		–	–		
Profit on sale of current investments		–	–		
Bad debts / advances written off		–	–	–	
Provision for deferred tax		–	–		
Provision for current tax (net of MAT credit entitlement)		(2.97)	(3.06)	(344,404)	(366,953)
Liabilities / provisions no longer required written back		–	–		
Exceptional Items :					
Provision for Doubtful Receivables – Others (Net)		–	–		
Provision for diminution in investments		–	–		
Suppliers Claim – Continuing operations		–	–		
Working capital adjustments:					
Increase /(decrease) in provision for bad & doubtful debts/advances		–	–		
Increase /(decrease) in provision for gratuity & Compensated absences		–	–		
(Increase)/decrease in trade receivables		(7.43)	(19.53)	(861,498)	(2,342,440)
(Increase)/decrease in inventories		–	0.03	–	3,243
(Increase)/decrease in other current and non current assets		–	–		
(Increase)/decrease in long term and short term loans and advances		–	–		
Increase /(decrease) in trade payables, other current and non current liabilities and provisions		(1.88)	16.20	(218,119)	1,942,849
		3.19	9.23	369,289	1,106,349
Income tax paid (including TDS) (net)		–	–		
Net cash flows from operating activities		**3.19**	**9.23**	**369,289**	**1,106,349**
Investing activities					
Proceeds from sale of property, plant and equipment		–	–		
Purchase of property, plant and equipment (including CWIP)		(0.03)	(0.74)	(3,777)	(88,931)
Proceeds from sale of Investments in Mutual Fund		–	–		
Purchase of Investments – Mutual Fund		–	–		
Purchase of Investment Subsidiary		–	–		
Intangible asset under development		–	–		
Realisation from Sale of investments – Other than Subsidiaries		–	–		
Amount due from Subsidiaries _ None Trade		–	–		
Proceeds from sale of financial investments		–	–		
Interest received (finance income)(Dividend)		–	–		
Net cash flows from / (used in) investing activities		**(0.03)**	**(0.74)**	**(3,777)**	**(88,931)**
Financing activities					
Proceeds from issue of equity share capital		–	–		
Amount due to Ultimate holding Company – None Trade		–	–		
Amount due to Subsiary – None Trade		–	–		
Proceeds from long term borrowings		–	–		
Repayment of long term borrowings		–	–		
Proceeds from short term borrowings		–	–		
Repayment of short term borrowings		–	–	–	
Fixed deposits with banks held as margin money		–	–		
Payment of dividend		(14.63)	(14.18)	(1,695,000)	(1,700,000)
Payment of Interest				–	
Dividend distribution tax		–	–	–	–
Net cash flows from / (used in) financing activities		**(14.63)**	**(14.18)**	**(1,695,000)**	**(1,700,000)**
Net increase / (decrease) in cash and cash equivalents		**(11.47)**	**(5.69)**	**(1,329,488)**	**(682,582)**
Cash and cash equivalents at the beginning of the year		**14.76**	**20.45**	**1,770,264**	**2,452,846**
Cash and cash equivalents at the end		**3.29**	**14.76**	**440,776**	**1,770,264**

SCHEDULES TO THE FINANCIALS FOR THE YEAR ENDED AND AS AT 31 DECEMBER 2017

Note 1: Property, plant and equipment

	Freehold land	Leasehold land	Buildings	Plant & machinery	Furniture & fixtures	Office equipments	Computers	Networking Assets	Test and Repair Equipments	Vehicles	Capital Work in Progress	Total
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores
Cost												
At 1 Jan 2016	–	–	–	–	**0.76**	-	-	-	-	-	-	**0.76**
Additions	–	–	–	–	0.60	-	-	-	-	-	-	0.60
Disposals	–	–	–	–	–	-	-	-	-	-	-	–
At 31 Dec 2016	–	–	–	–	**1.39**	-	-	-	-	-	-	**1.39**
Additions	–	–	–	–	0.03	-	-	-	-	-	-	0.03
Disposals	–	–	–	–	–	-	-	-	-	-	-	–
Discontinued operations (Note XX)	–	–	–	–	–	-	-	-	-	-	-	–
At 31 Dec 2017	–	–	–	–	**1.79**	-	-	-	-	-	-	**1.79**
Depreciation and impairment												
At 1 Jan 2016	–	–	–	–	**0.59**	-	-	-	-	-	-	**0.59**
Depreciation charge for the year	–	–	–	–	0.38	-	-	-	-	-	-	0.38
Disposals	–	–	–	–	–	-	-	-	-	-	-	–
	–	–	–	–	0.98	-	-	-	-	-	-	0.98
Depreciation charge for the year**	–	–	–	–	0.44	-	-	-	-	-	-	0.44
Disposals	–	–	–	–	–	-	-	-	-	-	-	–
Discontinued operations	–	–	–	–	–	-	-	-	-	-	-	–
At 31 Dec 2017	–	–	–	–	**1.69**	-	-	-	-	-	-	**1.69**
Net Book Value												
At 31 Dec 2017	–	–	–	–	**0.11**	-	-	-	-	-	-	**0.11**
At 31 Dec 2016	–	–	–	–	**0.40**	-	-	-	-	-	-	**0.40**

	Freehold land	Leasehold land	Buildings	Plant & machinery	Furniture & fixtures & Eqipment	Office equipments	Computers	Networking Assets	Test and Repair Equipments	Vehicles	Capital Work in Progress	Total
	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP
Cost												
At 1 Jan 2016					**115,036.00**							**115,036.00**
Additions					88,931.00							88,931.00
Disposals												–
At 31 Dec 2016	–	–	–	–	**203,967.00**	–	–	–	–	–	–	**203,967.00**
Additions					3,777.00							3,777.00
Disposals												–
Discontinued operations (Note XX)												–
At 31 Dec 2017	–	–	–	–	**207,744.00**	–	–	–	–	–	–	**207,744.00**
Depreciation and impairment												
At 1 Jan 2016					**88,257.00**							**88,257.00**
Depreciation charge for the year					56,394.00							56,394.00
Disposals												–
	–	–	–	–	144,651.00	–	–	–	–	–	–	144,651.00
Depreciation charge for the year**					50,761.00							50,761.00
Disposals												–
Discontinued operations												–
At 31 Dec 2017	–	–	–	–	**195,412.00**	–	–	–	–	–	–	**195,412.00**
Net Book Value							–					
At 31 Dec 2017	–	–	–	–	**12,332.00**	–	–	–	–	–	–	**12,332.00**
At 31 Dec 2016	–	–	–	–	**59,315.00**	–	–	–	–	–	–	**59,316.00**

Net Book Value	86.3	67.91	66.43	
	At 31 Dec 2017	At 31 Dec 2016	At 31 Dec 2017	At 31 Dec 2016
	INR in Crores	INR in Crores	GBP	GBP
Plant, property and equipment	0.11	0.40	12,332	59,316
Capital Work in Progress	–	–	–	–

NOTES ON THE ACCOUNTS FOR THE YEAR ENDING DECEMBER 31,2017

Note 2: Financial assets

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 GBP	31 Dec 2016 GBP
Investments (non–current)				
Non– Trade				
Unquoted				
Investment in Equity Instruments – subsidiaries	0.00	0.00	2.00	2.00
(iGTL Myanmar Limited)				
Total Investments	**0.00**	**0.00**	**2.00**	**2.00**

Note 3: Inventories

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 GBP	31 Dec 2016 GBP
Finished goods (at lower of cost and net realisable value)	–	–	–	–
Total inventories at the lower of cost and net realisable value	**–**	**–**	**–**	**–**

Note 4: Trade and other receivables

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 GBP	31 Dec 2016 GBP
Trade receivables				
Secured, considered good				
Unsecured, considered good	**54.47**	31.87	**6,311,659.00**	4,693,262.00
Doubtful				
	54.47	**31.87**	**6,311,659.00**	**4,693,262.00**
Other receivables				
Secured, considered good				
Unsecured, considered good	**3.20**	7.66	**370,436.00**	1,127,335.00
Doubtful				
	3.20	**7.66**	**370,436.00**	**1,127,335.00**
Total trade receivables	**57.66**	**39.53**	**6,682,095**	**5,820,597**

Note 5: Cash and cash equivalents

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 GBP	31 Dec 2016 GBP
Balances with banks				
In current accounts	**3.80**	12.02	**440,775.00**	1,770,263.00
	3.80	**12.02**	**440,775.00**	**1,770,263.00**

Note 6: Share Capital

Authorised Share Capital

	Equity shares		Preference shares		
	No.	INR in Crores	No. in Crores	INR in Crores	GBP
At 1 Jan 2016	500,000.00	3.32	–	–	500,000.00
Increase / (decrease) during the year	–	–	–	–	–
At 31 Dec 2016	500,000.00	3.40	–	–	500,000.00
Increase / (decrease) during the year	–	–	–	–	–
At 31 Dec 2017	500,000.00	4.31	–	–	500,000.00

NOTES ON THE ACCOUNTS FOR THE YEAR ENDING DECEMBER 31,2017

Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of INR 1 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued equity capital

Equity shares of INR 1 each issued, subscribed and fully paid

	No. in Crores	INR in Crores	GBP
At 1 Jan 2016		3.32	500,000
Changes during the year	–	–	–
At 31 Dec 2016	–	3.40	500,000
Changes during the year	–	–	–
At 31 Dec 2017	**–**	**4.31**	**500,000**

Note 7: Other equity

Balance in Statement of Profit and Loss

	INR in Crores	GBP
At 1 Jan 2016	**3.99**	**601,230**
Add: Profit during the year	(1.72)	(253,697)
Less: Transfer to debenture redemption reserve		
At 31 Dec 2016	**2.36**	**347,533**
Add: Profit during the year	(2.56)	(296,855)
Less: Transfer to debenture redemption reserve		
At 31 Dec 2017	**0.44**	**50,678**
Total other equity		
At 1 January 2016	**3.99**	**601,230**
At 31 Dec 2016	**2.36**	**347,533**
At 31 Dec 2017	**0.44**	**50,678**

Note 8: Trade payables

	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	INR in Crores	INR in Crores	GBP	GBP
Trade payables	54.91	45.19	6,362,777.00	6,654,320.00
Trade payables to related parties	1.91	1.01	221,749.00	148,325.00
	56.82	**46.20**	**6,584,526.00**	**6,802,645.00**

Note 9: Revenue from operations

	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	INR in Crores	INR in Crores	GBP	GBP
Rendering of Services	**–**	–		
Telecom services	**222.22**	211.14	**25,555,083**	24,472,232
Revenue from energy management business	**–**	–		
	222.22	**211.14**	**25,555,083**	**24,472,232**

Note 10: Other income

	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	INR in Crores	INR in Crores	GBP	GBP
Other non–operating income (Dividend)	0.00	0.00	6	3
	0.00	**0.00**	**6**	**3**

NOTES ON THE ACCOUNTS FOR THE YEAR ENDING DECEMBER 31,2017

Note 11: Cost of materials consumed

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 GBP	31 Dec 2016 GBP
Raw Material Consumed	**–**	**–**		
Inventory at the beginning of the year	–	–		
Add: Purchases	183.64	175.54	21,118,205	20,346,217
	183.64	175.54	21,118,205	20,346,217
Less: inventory at the end of the year	–	–		
Cost of raw material and components consumed	**183.64**	**175.54**	**21,118,205**	**20,346,217**

Note 12: Employee benefits expenses

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 GBP	31 Dec 2016 GBP
Salaries, wages and bonus	7.23	7.93	831,124	919,658
Contribution to provident and other funds	1.31	0.97	150,159	112,567
Employee stock option scheme	–	–		
Gratuity expense	–	–		
Staff welfare expense	0.26	0.26	29,892	30,482
Recruitment and training	0.10	0.13	11,650	14,795
	8.89	**9.30**	**1,022,825**	**1,077,502**

Note 13: Finance costs

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 GBP	31 Dec 2016 GBP
Interest	–	–		
– On fixed period loan	–	–	–	–
– Others	0.65	0.83	75,045	95,856
Exchange difference to the extent considered as an adjustment to borrowing cost	0.01	0.00	831	212
Total finance cost	**0.66**	**0.83**	**75,876**	**96,068**

Note 14: Depreciation and amortization expense

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 GBP	31 Dec 2016 GBP
Depreciation of tangible assets (note 3)	0.44	0.49	50,761	56,394
	0.44	**0.49**	**50,761**	**56,394**

Note 15: Other expenses

	31 Dec 2017 INR in Crores	31 Dec 2016 INR in Crores	31 Dec 2017 GBP	31 Dec 2016 GBP
Repairs and maintenance	–	–		
Plant and machinery	0.33	0.47	38,241	54,268
Others	0.36	0.40	40,913	46,462
Other insurance	0.36	0.31	41,894	35,934
Non network rent	1.15	1.11	132,750	129,000
Rates and taxes	0.19	0.19	21,310	21,505
Electricity	0.04	0.04	5,064	4,689
Printing and stationery	0.01	0.06	1,390	6,613
Communication expenses	0.20	0.26	23,167	29,692
Travelling and conveyance	0.45	0.38	51,524	44,353

NOTES ON THE ACCOUNTS FOR THE YEAR ENDING DECEMBER 31,2017

	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	INR in Crores	INR in Crores	GBP	GBP
Bank charges	–	0.00	–	15
Directors' sitting fees / Management Charges	1.54	3.63	176,744	420,626
Legal and professional charges	4.81	1.74	553,264	201,893
Audit fees	0.30	0.19	34,313	21,750
Bad debt written off	3.44	–	396,120	–
Miscellaneous expenses	0.25	0.57	28,179	65,998
	13.43	**9.34**	**1,544,873**	**1,082,798**

Payments to the auditor:				
As auditor				
Audit fee	0.15	0.15	17,500	17,500
Tax audit fee	–	–		
Limited review	–	–		
In other capacity:				
Taxation matters	0.10	0.01	11,850	750
Company law matters	0.04	0.03	4,963	3,500
Other services (certification fees)	–	–		
Reimbursement of expenses	–	–		
	0.30	**0.19**	**34,313**	**21,750**

NOTES ON THE ACCOUNTS FOR THE YEAR ENDING DECEMBER 31,2017

1 General information

The company is a private company limited by share capital, incorporated in UK.
The address of its registered office is:
Global House, Spitfire Close
Ermine Business Park
Huntingdon
PE29 6YA
United Kingdom
These financial statements were authorised for issue by the Board on 16 March 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), and the Companies Act 2006.

The company has taken advantage of the exemption in FRS 102 from the requirement to produce a cashflow statement on the grounds that it is a subsidiary undertaking where 90% or more of the voting rights are held within the group.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Exemption from preparing group accounts

The financial statements contain information about GTL Europe Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, GTL International Limited, a company incorporated in India.

Revenue recognition

The turnover shown in the profit and loss account represents amounts invoiced during the year exclusive of Value Added Tax. Revenue from services rendered is recognised as the service is performed. Income from Turnkey projects is recognised as a percentage and in proportion to work completion. However, in cases of contracts where consideration is separately defined/identified for supply of goods/materials whose distinct identity remains even after project completion, revenue is recognised based on delivery at site to the customers. In case of fixed–price contracts, revenue is recognised based on the milestones achieved as specified in the contracts.

Foreign currency transactions and balances

Functional and presentational currency

The company's functional and presentational currency is UK Sterling.

Transactions and balances

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures, fittings and equipment	50% Straight line basis

Investments

Fixed asset investments are stated at historical cost less provision for any diminution in value. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short–term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

NOTES ON THE ACCOUNTS FOR THE YEAR ENDING DECEMBER 31,2017

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non–current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other debtors and creditors, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

Debt instruments that are payable or receivable within one year, typically trade creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short–term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms of financed at a rate of interest that is not a market rate or in case of an out–right short term loan not at a market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss if recognised in the Profit and loss account.

For financial assets measured as amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discounted rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured as cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	Year ended 31 Dec 2017 £	31 Dec 2015 to 31 Dec 2016 £
Rendering of services	**25,555,083**	24,472,232
The analysis of the company's turnover for the year by market is as follows:		
UK	**15,908,270**	8,422,233
Europe	**9,646,813**	16,049,999
	25,555,083	**24,472,232**

NOTES ON THE ACCOUNTS FOR THE YEAR ENDING DECEMBER 31,2017

4. Operating profit

Arrived at after charging/(crediting)

	Year ended 31 December 2017 £	31 December 2015 to 31 December 2016 £
Depreciation expense	**50,761**	56,394
Foreign exchange losses	**831**	212
Operating lease expense – plant and machinery	**16,435**	33,131

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	Year ended 31 Dec 2017 £	31 Dec 2015 to 31 Dec 2016 £
Wages and salaries	**3,133,974**	3,555,560
Social security costs	**344,008**	412,513
Other short–term employee benefits	**23,477**	22,471
Pension costs, defined contribution scheme	**26,224**	31,541
Recruitment costs	**11,650**	12,793
Other employee expense	**6,415**	10,013
	3,545,748	**4,044,891**

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	Year ended 31 Dec 2017 £	31 Dec 2015 to 31 Dec 2016 £
Production	**50**	62
Administration and support	**9**	11
Sales	**4**	4
	63	77

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	Year ended 31 Dec 2017 £	31 December 2015 to 31 Dec 2016 £
Remuneration	**216,000**	221,371

In respect of the highest paid director:

	Year ended 31 Dec 2017 £	31 December 2015 to 31 Dec 2016 £
Remuneration	**216,000**	221,371

7. Auditors' remuneration

	Year ended 31 Dec 2017 £	31 December 2015 to 31 Dec 2016 £
Audit of the financial statements	**17,500**	17,500
Other fees to auditors		
Taxation compliance services	**11,850**	750
All other assurance services	**4,963**	3,500
	16,813	**4,250**

NOTES ON THE ACCOUNTS FOR THE YEAR ENDING DECEMBER 31,2017

8. Taxation

Tax charged/(credited) in the income statement

	Year ended 31 Dec 2017 £	31 Dec 2015 to 31 Dec 2016 £
Current taxation		
UK corporation tax	344,404	366,953

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2016 – higher than the standard rate of corporation tax in the UK) of 19.25% (2016 – 20%).

The differences are reconciled below:

	Year ended 31 Dec 2017 £	31 Dec 2015 to 31 Dec 2016 £
Profit before tax	1,742,549	1,813,256
Corporation tax at standard rate	335,380	362,651
Effect of expense not deductible in determining taxable profit (tax loss)	1,848	13,326
Tax increase/(decrease) from effect of capital allowances and depreciation	7,176	(8,976)
Other tax effects for reconciliation between accounting profit and tax expense (income)		(48)
Total tax charge	**344,404**	**366,953**

9. Tangible assets

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 January 2017	**203,967**	**203,967**
Additions	3,777	3,777
A131 December 2017	**207,744**	**207,744**
Depreciation		
At 1 January 2017	**144,651**	**144,651**
Charge for the year	50,761	50,761
At 31 December 2017	**195,412**	**195,412**
Carrying amount		
At 31 December 2017	**12,332**	**12,332**
At 31 December 2016	**59,316**	**59,316**

10 Investments held as fixed assets

	31 Dec 2017 £	31 Dec 2016 £
Investments in subsidiaries	1	1
Other investments	1	1
	2	2
Subsidiaries		
Cost or valuation		
At 1 January 2017		
Provision		
Carrying amount		
At 31 December 2017		1
At 31 December 2016		1

NOTES ON THE ACCOUNTS FOR THE YEAR ENDING DECEMBER 31,2017

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2016	2017
Subsidiary undertakings				
GTL International Bangladesh Private Limited	Bangladesh	Ordinary share capital	1.00%	1.00%

The principal activity of GIL International Bangladesh Private Limited is telecommunication engineering services and consultancy

Under the provisions of S401 of the Companies Act 2006, the company is exempt from preparing consolidated financial statements and has not done so, therefore the financial statements show information about the company as an individual entity.

11. Other financial assets (current and non–current)

Non–current financial assets

Cost or valuation

	Financial assets at cost less impairment	Total
At 1 January 2017		1
At 31 December 2017	1	1
Impairment		
Carrying amount		
At 31 December 2017		

12. Debtors

	31 Dec 2017	31 Dec 2016
Trade debtors	**6,311,659**	4,693,262
Other debtors	**10,420**	64,747
Prepayments and accrued income	**360,016**	1,062,588
Total current trade and other debtors	**6,682,095**	5,820,597

13. Cash and cash equivalents

	31 Dec 2017	31 Dec 2016
Cash at bank	**440,775**	1,770,263

14. Creditors

	Note	31 Dec 2017	31 Dec 2016
Due within one year			
Trade creditors		**3,052,232**	2,650,022
Amounts due to group undertakings	19	**221,749**	148,325
Social security and other taxes		**257,671**	99,178
Other creditors		**27,460**	45,726
Accruals and deferred income		**2,994,908**	3,492,441
Corporation tax	8	**30,506**	366,953
		6,584,526	6,802,645

15 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £26,224 (2016 – £31,541).

NOTES ON THE ACCOUNTS FOR THE YEAR ENDING DECEMBER 31,2017

16. Share capital

Allotted, called up and fully paid shares

	31 December 2017		31 December 2016	
	No	£	No	£
Ordinary shares of El each	500,000	500,000	500,000	500,000

17. Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2017	2016
	£	£
Not later than one year		10,475
Later than one year and not later than five years	45,000	45,000
	45,000	**55,475**

The amount of non–cancellable operating lease payments recognised as an expense during the year was £45,000 (2016– £55,475).

18. Dividends

	2017	2016
Interim dividend of £2.99 (2016– £3.40) per ordinary share	1,695,000	1,700,000

19. Related party transactions

The company has taken advantage of the exemption available in accordance with FRS 102 not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

Amounts owed to fellow group undertakings:

GTL International Limited
(Immediate parent company)

At the balance sheet date the amount owed to GTL International Limited was £221,749 (2016: £148,325). Relationship between entity and parents

The parent of the largest and smallest group in which these financial statements are consolidated is GTL Limited, a company incorporated in India. GM Limited is a fully listed company, with its shares traded on the Mumbai National Stock Exchange in India. Copies of these accounts are available from the registered office of GM Limited.

The address of GTL Limited is:
Global Vision
Electronic Sadan–II, MIDC
TTC Industrial Area
Mahape
Navi Mumbai– 400710

The smallest group of which the company is a member is that group led by GTL International Limited.

20. Financial instruments

Categorisation of financial instruments

	31 December 2017	31 December 2016
	£	£
Financial assets that are debt instruments measured at amortised cost	6,322,079	4,758,010
	6,322,079	4,758,010
Financial liabilities measured at amortised cost	6,584,526	6,802,645
	6,584,526	6,802,645

21. Parent and ultimate parent undertaking

The company's immediate parent is GTL International Limited, a company incorporated in Bermuda. The ultimate parent undertaking and controlling party is GTL Limited, a company incorporated in India.

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
GTL Nepal Pvt Limited, Balkumari Kathmandu

Report on the Financial Statements

We have audited the accompanying financial statements of **GTL** Nepal Pvt Limited which comprise the statement of financial position as at December 31, 2017, and the income statement for the period January 01, 2017 to December 31, 2017, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal 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 judgment, 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

Opinion

In our opinion, the financial statements give a true and fair view of, in all material respects, the financial position of **GTL Nepal Pvt Limited** as of December 31, 2017, and of its financial performance and its cash flows for the year then ended in accordance with Nepal Accounting Standards.

Report on Other Legal and Regulatory Requirements

As per Companies Act 2063, we report that, in our opinion:

1. We have obtained all the information and explanations, which, to the best of our knowledge and belief, were considered necessary for the purpose of our audit;

2. Proper books of accounts as required by law have been kept by the Company as far as appears from our examination of such books;

3. The Statement of Financial Position, Income Statement and the Cash Flow Statement are prepared as per the provisions of the Company Act 2063 and the same are in agreement with the books of accounts maintained by the Company;

4. The business of the Company has been conducted satisfactorily; and

5. To the best of our knowledge and in accordance with explanations given to us and from our examination of the books of accounts of the Company, necessary for the purpose of our audit, we have not come across cases where the Board of Directors, representative or any employee of the Company has committed any misappropriation or caused loss or damage to the Company deliberately.

Prabin K. Jha FCA
Partner

Dillibazar, Kathmandu
Date: March 06, 2018

BALANCE SHEET AS AT 31 DECEMBER 2017

(All amounts in Rs. crores, unless otherwise stated)

	Notes	As at 31 Dec 2017	As at 31 Dec 2016	As at 31 Dec 2017	As at 31 Dec 2016
		INR Crores	INR Crores	NPR	NPR
Assets					
Non–current assets					
Property, plant and equipment	3	**2.63**	3.24	**40,761,550**	50,630,880
Intangible assets	4	**0.54**	0.65	**8,394,875**	10,278,647
Deferred tax assets (net)	14	**0.43**	0.12	**2,682,680**	1,934,730
		3.60	**4.02**	**51,839,105**	**62,844,257**
Current assets					
Inventories	5	**3.20**	3.51	**51,590,572**	54,774,754
Financial assets					
Trade receivables	6	**21.38**	25.07	**344,642,763**	391,675,971
Cash and cash equivalents	7	**0.80**	0.86	**12,831,423**	13,421,243
Bank balance other than included in Cash and cash equivalents above	8	**6.38**	14.83	**102,800,000**	231,674,660
Other receivables	9	**2.97**	4.38	**47,807,867**	68,497,315
Current Tax Assets (Net)	10	**0.39**	0.58	**6,273,650**	9,039,446
Other current assets	11	**0.09**	0.12	**1,477,473**	1,925,330
		35.20	**49.34**	**567,423,748**	**771,008,718**
Assets classified as held for sale					
		35.20	**49.34**	**567,423,748**	**771,008,718**
Total Assets		**38.79**	**53.36**	**619,262,853**	**833,852,975**
Equity and liabilities					
Equity					
Equity Share Capital	12	**1.24**	1.24	**19,453,000**	19,453,000
Other Equity	13	**7.40**	12.54	**103,444,006**	195,982,810
Total Equity		**8.65**	**13.78**	**122,897,006**	**215,435,810**
Non–current liabilities:					
Financial liabilities					
Borrowings	14	**0.67**	11.75	**10,722,164**	183,552,723
		0.67	**11.75**	**10,722,164**	**183,552,723**
Current liabilities:					
Financial liabilities					
Trade payables	15	**18.33**	18.15	**305,858,322**	283,644,792
Other current liabilities	16	**11.15**	9.68	**179,785,361**	151,219,649
Current tax liabilities (net)					
		29.55	27.83	**485,643,683**	434,864,442
Total liabilities		**30.15**	**39.58**	**496,365,847**	**618,417,165**
Total equity and liabilities		**38.79**	**53.36**	**619,262,853**	**833,852,975**

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST DECEMBER, 2017

(All amounts in Rs. crores, unless otherwise stated)

	Notes	Year ended 31st December, 2017	Year ended 31st December, 2016	Year ended 31st December, 2017	Year ended 31st December, 2016
Continuing operations					
Revenue from operations	18	**56.99**	**62.40**	**911,877,544**	**990,435,215**
Other income	19	**1.38**	2.84	**22,013,274**	45,028,051
TOTAL INCOME		**58.37**	**65.24**	**933,890,818**	**1,035,463,266**
EXPENSES					
Cost of materials consumed	20	**8.97**	7.98	**143,567,830**	126,693,940
Purchases of stock–in–trade	21	**27.53**	23.50	**440,436,454**	373,093,940
Changes in inventories of finished goods, stock–in–trade and work–in–progress	22	**0.23**	4.36	**3,620,773**	69,163,045
Employee benefits expenses	23	**11.82**	11.78	**189,093,659**	186,973,802
Finance costs	24	**0.67**	0.50	**10,653,302**	7,969,437
Depreciation and amortisation expenses	25	**0.80**	0.87	**12,771,766**	13,846,157
Other expenses	26	**2.64**	2.62	**42,230,110**	41,511,355
TOTAL EXPENSES		**52.65**	**51.62**	**842,373,894**	**819,251,676**
Profit/(loss) before exceptional items and tax from continuing operations		**5.71**	**13.62**	**91,516,924**	**216,211,589**
Exceptional items				**–**	–
Profit/(loss) before tax from continuing operations		**5.71**	13.62	**91,516,924**	216,211,589
Tax expenses					
Current tax		**1.43**	3.41	**22,879,231**	54,052,897
Adjustment of tax relating to earlier periods			0.00	**–**	13,587
Deferred tax credit/(charge)		**(0.05)**	(0.03)	**(747,951)**	(471,880)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**4.33**	**10.24**	**69,385,644**	**162,616,985**
Discontinued operations:					
Profit/ (loss) for the year from discontinued operations		**–**	–	**–**	–
Profit/(loss) for the year		**4.33**	**10.24**	**69,385,644**	**162,616,985**
Other Comprehensive Income:					
Other comprehensive income for the year, net of tax		**–**	–	**–**	–
Total Comprehensive Income for the period, net of tax		**4.33**	**10.24**	**69,385,644**	**162,616,985**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

a. Equity Share Capital:

Equity shares of INR XX each issued, subscribed and fully paid

	No. in Crores	INR Crores	NPR
At 1 January 2016	**0.02**	**1.24**	**19,453,000**
Issue of share capital (Note 17)	–	–	
At 31 December 2016	**0.02**	**1.24**	**19,453,000**
Issue of share capital (Note 17)	–	–	
At 31 December 2017	**0.02**	**1.24**	**19,453,000**

b. Other Equity:

For the year ended 31 December 2016

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)	
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores
As at 01st January 2016	1.25	–	–	–	–	–	19.02	–	20
Net Profit for the period							10.41		10
Other comprehensive income									–
Total comprehensive income	–	–	–	–	–	–	10	–	10
Dividends	–	–	–	–	–	–	(19.04)	–	–19
Transfer from debenture redemption reserve	–	–	–	–	–	–	–	–	–
Transfer from Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–
Transfer to general reserve	–	–	–	–	–	–	2.16	–	2
Transfer to Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–
As at 31 December 2016	**1.25**	**–**	**–**	**–**	**–**	**–**	**12.54**	**–**	**13.79**

For the year ended 31 December 2015

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)	
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores
As at 01st January 2015	1.25	–	–	–	–	–	18.90	–	20
Net Profit for the period							12.46		12
Other comprehensive income									–
Total comprehensive income	–	–	–	–	–	–	12	–	12
Impact of translation of financials into INDAS									–
Dividends	–	–	–	–	–	–	(13.59)	–	–14
Transfer from debenture redemption reserve	–	–	–	–	–	–	–	–	–
Transfer from Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–
Transfer to general reserve	–	–	–	–	–	–	1.26	–	1
Transfer to Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–
As at 31 December 2015	**1.25**	**–**	**–**	**–**	**–**	**–**	**19.02**	**–**	**20.26**

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2017

	Notes	31 December 2017	31 December 2016	31 December 2017	31 December 2016
		INR in Crores	INR in Crores	NPR	NPR
OPERATING ACTIVITIES					
Profit before tax from continuing operations		5.72	13.51	91,516,924	216,211,590
Profit/(loss) before tax from discontinued operations					
Profit before tax		5.72	13.51	91,516,924	216,211,590
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation and impairment of property, plant and equipment		0.80	0.87	12,771,766	13,846,157
Finance costs (including fair value change in financial instruments)		0.67	0.50	10,653,302	7,969,437
Liabilities / provisions no longer required written back		–	2.11	–	33,807,483
Loss on Sale/Disposal of Assets		0.28	0.01	4,490,714	135,119
Working capital adjustments:					
(Increase)/decrease in trade receivables		2.94	0.39	47,033,208	6,205,735
(Increase)/decrease in inventories		0.20	(2.52)	3,184,181	(40,386,462)
(Increase)/decrease in long term and short term loans and advances		1.49	(2.14)	23,903,099	(34,184,825)
Increase /(decrease) in trade payables, other current and non current liabilities and provisions		2.97	3.45	47,470,279	55,267,037
		15.06	16.18	241,023,473	258,871,271
Income tax paid (including TDS) (net)		(1.43)	(3.38)	(22,879,231)	(54,066,484)
Net cash flows from operating activities		**13.63**	**12.80**	**218,144,242**	**204,804,787**
Investing activities					
Proceeds from sale of property, plant and equipment		0.12	0.10	1,877,204	1,524,397
Purchase of property, plant and equipment (including CWIP)		(0.86)	(1.28)	(13,793,083)	(20,401,471)
Purchase of financial instruments		8.05	(0.41)	128,874,660	(6,500,000)
Net cash flows from / (used in) investing activities		**7.31**	**(1.59)**	**116,958,781**	**(25,377,074)**
Financing activities					
Interest paid		(0.67)	(0.50)	(10,653,302)	(7,969,437)
Proceeds from short term borrowings		(10.80)	7.26	(172,830,560)	116,221,202
Repayment of short term borrowings		–	–	–	–
Payment of dividend		(9.51)	(18.60)	(152,208,981)	(297,555,453)
Net cash flows from / (used in) financing activities		**(20.98)**	**(11.83)**	**(335,692,843)**	**(189,303,688)**
Net increase / (decrease) in cash and cash equivalents		**(0.04)**	**(0.62)**	**(589,819)**	**(9,875,975)**
Cash and cash equivalents at the beginning of the year		0.84	1.46	13,421,239	23,297,214
Cash and cash equivalents at the end		**0.80**	**0.84**	**12,831,423**	**13,421,239**

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2017

A. Significant Accounting Policies and Notes to Accounts

1. Basic Information

GTL Nepal P Ltd. is a company registered in Nepal since 17 September 2009 pursuant to Companies Act 2006 with principal place of business at Balkumari, Kathmandu. It is mainly involved in operation of various network related services to telecommunication companies in Nepal. The total number of employees working for GTL Nepal P Limited at the close of current reporting period is 332, out of which 120 is direct and 212 is locally outsourced employees.

2. Basis of Preparation

The financial statements are prepared under the historical cost convention on accrual basis of accounting, in accordance with the generally accepted accounting principles in Nepal including accounting standards notified there under. The accounts are prepared under historical cost convention unless otherwise indicated.

3. Use of Estimate

The preparation of financial statements in conformity with the Nepal Accounting Standards requires management to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

4. Revenue recognition

Revenues are recognized when it is earned and when there is no significant uncertainty as to its measurement and realization. The specific revenue recognition policies are as under:

a. Revenue from turnkey contracts, which are either fixed price or cost plus contracts, is recognized based on work completion of activity or achievement of milestone duly certified by customer.

b. Revenue from sale of products is recognized upon passing of title of goods and/or on transfer of significant risk and rewards of ownership thereto.

c. Revenue from services is recognized based on performance of service that are recoverable.

d. Other income is recognized when the right to receive is established.

5. Employee Benefits

a. Short–term employee benefits are recognized as an expense at the undiscounted amount in the Income Statement of the year in which the related service is rendered.

b. Post–employment and other long–term employee benefits are recognized as an expense in the Income Statement of the year in which the employee has rendered services. The expense is recognized at the undiscounted value of the amount payable determined using employee benefits provided at the end of each reporting period.

6. Property, plant and equipment

a. Property, plant and equipment are stated at cost less depreciation and impairment. Depreciation is provided on diminishing balance method at percentages and classes (group) of assets as determined by Income Tax Act 2058.

b. The rates of depreciation by major class of assets [Rates prescribed by Income Tax Act 2058] are as follows:

Furniture and Fittings	25%
Office Equipment	25%
Tools & Equipments	15%
Plant	15%
Software	20%
Vehicle	20%

c. Property, plant and equipment are subject to review for impairment if triggering events or circumstances indicate the requirement. Any impairment is charged to the income statement as it arises.

7. Inventories

Inventories are valued at the lower of cost and net realizable value on specific identification basis. Cost comprises all direct costs. In case of identified obsolete/ surplus/ non–moving items, necessary provision is made and charged to revenue. Cost of consumption, generally charged to \NIP, are determined by subtracting value of inventory lying at the stores as certified by management from the total cost of inventory that include opening inventory and purchases.

8. Cash and cash equivalents

For the purpose of preparation of the cash flow statement, cash and cash equivalents include cash at bank and in hand.

9. Taxation

a. Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement.

b. Current tax is the expected tax payable on the taxable income for the year, using applicable tax rates at the Statement of Financial Position date and any adjustments to tax payable in respect of previous years,

c. Deferred taxation is recognized using the liability method on taxable temporary differences between the tax base and the accounting base of items included in the Statement of Financial Position of the company. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates prevailing at the year end.

d. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

10. Provisions

Provisions are recognized when either a legal or constructive obligation, as a result of a past event, exists at the Statement of Financial Position date and where the amount of the obligation can be reliably estimated.

11. Foreign currency transactions

a. Transactions in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.

b. Monetary foreign currency items are reported at the exchange rates as at Statement of Financial Position date.

c. Non–monetary foreign currency items are carried at cost.

d. Any gains or losses on account of exchange difference either on settlement or on translation are recognized in the Income Statement.

B. Notes to Accounts

1. Ownership

The company is wholly owned by GTL (Singapore) Pte, Singapore while the ultimate parent of the company is GTL International Ltd, Bermuda.

2. Revenue Recognition

No accrued revenue has been recorded in the books of accounts for the period.

3. Secured Loan

Secured loan amounting to NPR 10,722,164 taken from Nepal SBI Bank Limited represents loan against FD amounting NPR 102,800,000.

4. Income Taxes

The provision for current tax has been made based on the estimated taxable income of the Company for the period January 01, 2017 till December 31,

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2017

2017. While making estimation for depreciation claim, the amount has been derived after prorating the amount of annual depreciation calculated as per Nepalese FY [ending Mid July 17] for the period up to December 31, 2017. The amount of provision for depreciation and consequently current taxes is likely to change based on the actual results till Mid July 2018. The effect due to these on the financials for the period ending December 31, 2017 cannot be estimated however it would not be significant.

Provision for tax created as at December 31, 2017 is disclosed for group reporting (consolidation) purposes only. Balance under the head as on December 31, 2017 shall not be considered for Nepalese Tax purposes since Nepalese Income year (IY) ends of Mid July and the period under current audit covers two Nepalese Income years.

Payment of tax made with respect to tax provision including tax deposited by others adjusted to the extent of payment made with respect to self–assessment tax on July 16, 2017 as per Nepalese IY. The balances are accounted separately and adjustments with tax provisions are already made in the books.

Further, provision with respect to Tax Liability that is linked with profit earned during the period is determined applying prescribed rate of 25% on profit after bonus before tax. Any difference between provision for tax accounted for in books for local requirements and provision for tax that should be created based on profit for the group reporting period [January — December 2017] are adjusted in the provision for tax for group reporting purposes. As a result of this adjustment, total provision for tax as provided during the period in the Income Statement would not necessarily match with total tax provision in the Statement of Financial Position. Details are as follows.

Particulars	Amount (NPR)
Opening Income tax Provision	9,315,952.52
Add: Provision from Jan 1 2017 to Dec 31 2017	22,879,230.99
Less: Income tax provision as per income tax assessment	54,346284.00
Add: Adjustment 1 Reversal of previous tax payment	3,308,964.26
Closing Balance of Income tax Provision	(18,842,136.23)

Closing Balance of income Tax Provision, determined for group reporting purposes only applying the methodology depicted above, has undergone into negative territory (depicted Debit Balance). This has arisen due to significant reduction is profit for the period as compared to Nepalese FY 2073/74 i.e. period ending July 15, 2017.

5. **Provision for employee bonus**

The amount of provision for employee bonus has been calculated @ 10% of net profit before tax as per provisions of the Bonus Act 1974. Certain adjustments to the extent of NPR 34,944,662 pertaining to payments made to employees, based on provision for bonus as determined for local purposes, are disclosed as payment of employee bonus.

Provision for bonus created as at 31 December 2017 is disclosed for group reporting (consolidation) purposes only. Balance under the head as on 31 December 2017 shall not be considered for Nepalese perspective since Nepalese Income year (IY) ends of Mid July and the period under current audit covers two Nepalese Income years. As per local law, the company shall only be legally liable to settle provision of bonus created as per Nepalese IY hence provision created in the books for December would have to be adjusted at the time of making payment.

Any difference between provision for employee bonus (statutory provisions) accounted for in books for local requirements and provision for employee bonus that should be created based on profit for the current group reporting period [i.e. January — December 2017] is adjusted in the provision for bonus. As a result of this adjustment, total provision for bonus as depicted in the Income Statement would not necessarily match with the percentages for bonus as prescribed by the Bonus Act 1974. Details are as follows

Status of Provision for Bonus as at 31 December 2017 is as follows:

Significant Accounting Policies and Notes to Accounts

Provision for Bonus	Amount in NPR
Opening as per Corporate Reporting	19,289,713
Provision for bonus as per local reporting	21,422,134
Provision pertaing to period Jan 01 to Dec 31. 2017	9,151.692
Adjustment for excess provision as per local reporting and corporate reporting	(12,270,442)
Adjustment (Payment) made during the Year	(34,944,662)
Closing Balance of Provision for Bonus	**(6,503,256)**

Closing Balance of Provision for Bonus, determined for group reporting purposes only applying the methodology depicted above, has undergone into negative territory (i.e. depicted Debit Balance). This has arisen due to significant reduction is profit for the period as compared to Nepalese FY 2073/74 i.e. period ending July 15, 2017.

6. **Deferred Tax Assets**

The amount of deferred tax income and deferred tax assets have been calculated applying prevailing Income Tax Rate of 25% as detailed below.

Particulars	Carrying Amount	Tax Base	Deductible Temporary Difference	Tax Rate	Deferred Tax Assets
	NPR	NPR	NPR	NPR	NPR
Provision or Gratuity	10,730,721.43		10,730,721.43	25%	2,682,680.36
Total to be maintain					2,682,680.36
Opening Deferred Tax Assets					1,934,729.56
Difference as deferred tax income					747,950.80

7. **Provision for Staff Quarter**

No provision for Staff Quarter [5%] as required by Labor Act 1992 is provided for since majority of direct staffs are Non Nepalese.

8. **Provision for expense**

Provision for expenses created as at 31 December 2017 are disclosed for group reporting purposes only. Balance under these head as on 31 December 2017 shall not be considered for Nepalese Tax purposes since Nepalese Income year ends of Mid July and the period under current audit covers two Nepalese Income years. The provisions thus reported under these heads are adjusted as per Nepalese IY financials.

9. **No Impairment of Account Receivable**

No provision of bad or doubtful debts are provided for in the financials in spite of having significant account receivable as on 31 December 2017 that amounts to NPR 344,642,763 since no debt is considered doubtful.

10. **Provision for Warranty Cost**

Amount of Warranty claim estimated to be made on the company during the warranty period to be insignificant as such no provision for warranty cost are made as at 31 December 2017.

11. **Previous period information**

The previous year's figures have been regrouped wherever required.

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2017

12. Revenue from supply of goods and services are as follows.

Description	Amount (in NPR)
Revenue from Supply of Goods	79,246,639
Revenue from Services	832,630,905
Total	**911,877,544**

13. Information about key Management Personnel and their personnel compensation are as follows:

Mr. Vatan Singh Rana– Country Manager is overall responsible for the country office. Total personnel compensation made by the company to Mr. Rana during the period amounted to NPR 11,368,460.

Mr. J. Srinath– Director is overall responsible for the finance and account department. The total personnel compensation made by the company to Mr. Srinath during the period amounted to NPR 4,138,928.

14. Transactions, balances and guarantees relating to parent company as well as other organizations within the group are as follows:

Balances of transactions pertaining to Parent Company and other organizations within the group including associates are separately disclosed in the financials. Summary of such balances are grouped hereunder.

Name of related party	Transactions	Amount (in NPR)	Type
GTL International Limited	Internal transfer of liability from GTL Branch	35,026,845	Credit
GTL Limited, Branch	Payment made on behalf of GTL Branch	266,975	Debit
GTL (SINGAPORE) PTE LTD	Dividend Payable	144,598,521	Credit

15. Contingent Liability:

There are no legal cases against the company. The company has already filed tax returns for the Nepalese FY 2073–74 covering period July 16, 2016 till July 16, 2017. No bank guarantee is outstanding as on 31 December 2017. Tax assessment by tax authorities up to FY 2013/14 was already completed during last year, the assessment of FY 2014/15 is ongoing and yet to conclude.

16. Rounding off:

Figures are rounded off to the nearest Rupee.

SCHEDULES TO FINANCIALS FOR THE YEAR ENDED AND AS AT 31 DECEMBER, 2017

3. Property, plant and equipment

	Freehold land	Leasehold land	Buildings	Plant & machinery	Furniture & fixtures	Office equipments	Computers	Networking Assets	Test and Repair Equipments	Vehicles	Capital Work in Progress	Total
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores
Cost												
At 1 January 2016				2.41	0.61	1.15				0.41		4.57
Additions				0.87	0.06	0.23				0.15		1.31
Disposals				(0.00)	(0.03)	(0.07)						(0.10)
At 31 December 2016	–	–	–	3.27	0.64	1.31	–	–	–	0.55	–	5.78
Additions				–	0.03	0.47				0.35		0.85
Disposals	–	–	–	(0.54)	–	(0.26)	–	–	–	–	–	(0.79)
Discontinued operations (Note XX)												–
At 31 December 2017	–	–	–	2.73	0.68	1.52	–	–	–	0.90	–	5.83
				4.41	1.09	2.45				1.45		9.40
Depreciation and impairment												
At 1 January 2016				0.96	0.32	0.66				0.16		2.09
Depreciation charge for the year				0.14	0.09	0.14				0.08		0.45
Disposals												–
At 1 January 2016	–	–	–	1.10	0.40	0.80	–	–	–	0.23	–	2.54
Depreciation charge for the year**				0.28	0.06	0.18				0.12		0.65
Disposals				0.01		0.01						0.02
Discontinued operations												–
At 31 December 2017	–	–	–	1.39	0.47	0.99	–	–	–	0.36	–	3.20
Net Book Value												
At 31 December 2017	–	–	–	1.35	0.21	0.53	–	–	–	0.54	–	2.63
At 31 December 2016	–	–	–	2.17	0.24	0.51	–	–	–	0.32	–	3.24
At 1 January 2016	–	–	–	1.45	0.29	0.49	–	–	–	0.25	–	2.48

Net Book Value

	At 31 December 2017	At 31 December 2016	At 31 December 2017	At 31 December 2016
	INR in Crores	INR in Crores	NPR	NPR
Plant, property and equipment	2.63	3.24	40,761,550	50,630,880
Capital Work in Progress	–	–		

SCHEDULES TO FINANCIALS FOR THE YEAR ENDED AND AS AT 31 DECEMBER, 2017

4. Intangible assets

	Networking Software	Other than networking software	Intangible asset under development	Total
	INR in Crores	INR in Crores	INR in Crores	INR in Crores
Cost				
At 1 January 2016	1.96			1.96
Additions				
Disposals	(0.01)			
At 31 December 2016	1.95	–	–	1.96
Additions	0.01			
Disposals				–
At 31 December 2017	1.97	–	–	1.96
Amortization and impairment				
At 1 January 2016	0.86			0.86
Amortisation	0.22			0.22
Disposals	0.22			
At 31 December 2016	1.30	–	–	1.08
Amortisation	0.13			0.13
Disposals				–
At 31 December 2017	1.43	–	–	1.21
Net Book Value				
At 31 December 2017	0.54	–	–	0.75
At 31 December 2016	0.65	–	–	0.88
At 1 January 2016	1.10	–	–	1.10

Net Book Value

	At 31 December 2017	At 31 December 2016	At 31 December 2017	At 31 December 2016
	INR in Crores	INR in Crores	NPR	NPR
Intangible assets	0.54	0.65	8,394,875	10,278,647
Intangible assets under development	–	–	–	–

Intangible assets under development include two fire prevention research and development projects. One is to improve fire detection and sprinkler systems and the other is related to fire–retardant fabrics for motor vehicles and aircraft.

Acquisition during the year

Patents and licences include intangible assets acquired through business combinations. The patents have been granted for a minimum of 10 years by the relevant government agency, while licences have been acquired with the option to renew at the end of the period at little or no cost to the Company. Previous licences acquired have been renewed and have allowed the Company to determine that these assets have indefinite useful lives. As at 31 March 2016, these assets were tested for impairment (Note 6).

SCHEDULES TO FINANCIALS FOR THE YEAR ENDED AND AS AT 31 DECEMBER, 2017

5. Inventories

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	NPR	NPR
Raw materials (at cost)				
Work in progress (at cost)	1.39	1.37	22,367,526	21,336,421
Finished goods (at lower of cost and net realisable value)	1.81	2.14	29,223,046	33,438,333
Total inventories at the lower of cost and net realisable value	**3.20**	**3.51**	**51,590,572**	**54,774,754**

6. Trade and other receivables

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	NPR	NPR
Trade receivables	21.38	25.07	344,642,763	391,675,971
Receivables from an associate				
Receivables from other related parties				
Total Trade and other receivables	**21.38**	**25.07**	**344,642,763**	**391,675,971**

7. Cash and cash equivalents

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	NPR	NPR
Balances with banks				
In current accounts	0.77	0.86	12,436,606	13,407,594
Cheques on hand				
Cash on hand	0.02	0.00	394,817	13,649
	0.80	**0.86**	**12,831,423**	**13,421,243**

8. Bank balance other than cash and cash equivalents

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	NPR	NPR
Margin money with banks	6.38	14.83	102,800,000	231,674,660
Earmarked bank balance towards dividend				
	6.38	**14.83**	**102,800,000**	**231,674,660**

9. Other receivables

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	NPR	NPR
Other loans and advances				
Considered good	2.97	4.38	47,807,867	68,497,315
	2.97	**4.38**	**47,807,867**	**68,497,315**

10. Current Tax Assets (Net)

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	NPR	NPR
Advance Income Tax & Tax deducted at source (Net of provision)	0.39	0.58	6,273,650	9,039,446
	0.39	**0.58**	**6,273,650**	**9,039,446**

SCHEDULES TO FINANCIALS FOR THE YEAR ENDED AND AS AT 31 DECEMBER, 2017

11. Other current assets

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	NPR	NPR
Prepaid expenses	0.08	0.11	1,288,890	1,696,745
Others	0.01	0.01	188,583	228,583
	0.09	**0.12**	**1,477,473**	**1,925,329**

12. Share Capital

Authorised Share Capital

	Equity shares		Preference shares	
	No. in Crores	INR in Crores	No. in Crores	INR in Crores
At 1 January 2016	0.04	2.49	–	–
Increase / (decrease) during the year	–	–	–	–
At 31 December 2016	0.04	2.49	–	–
Increase / (decrease) during the year	–	–	–	–
At 31 December 2017	0.04	2.49	–	–

Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of INR 1 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued equity capital

Equity shares of INR 1 each issued, subscribed and fully paid

	No. in Crores	INR in Crores	NPR
At 1 January 2016	0.02	1.24	19,453,000
Changes during the year	–	–	
At 31 December 2016	0.02	1.24	19,453,000
Changes during the year	–	–	
At 31 December 2017	0.02	1.24	19,453,000

Equity component of convertible preference shares of INR 1 each issued and fully paid

	No. in Crores	INR in Crores
At 1 January 2016	–	–
Changes during the year	–	–
At 31 December 2016	–	–
Changes during the year	–	–
At 31 December 2017	–	–

This note covers the equity component of the issued convertible preference shares. The liability component is reflected in financial liabilities.

Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of equity and preference shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

GTL Singapore PTE Ltd, holding company	No. in Crores	INR in Crores
XXXX lacs (31 March 2015: XXXX lacs) equity shares	0.02	1.24
XXXX lacs (31 March 2015: XXXX lacs) preference shares	–	–

SCHEDULES TO FINANCIALS FOR THE YEAR ENDED AND AS AT 31 DECEMBER, 2017

Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31 December 2017		As at 31 December 2016	
	No. in Crores	% holding in the class	No. in Crores	% holding in the class
Equity shares of INR 64 each fully paid				
GTL Singapore PTE Ltd, holding company	0.02	100%	0.02	100%
Preference shares of INR1 each fully paid				
holding company				

Shares reserved for issue under options

For details of shares reserved for issue under the Share based payment plan of the company, please refer note XX.

For the period of five years immediately preceding the date at which the Balance Sheet is prepared:

- aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash;
- aggregate number and class of shares allotted as fully paid up by way of bonus shares; and
- aggregate number and class of shares bought back;

13. Other equity

Capital reserve

The Company recognizes profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

	INR in Crores
At 1 January 2016	–
Add: amount transferred on exercise of share options	–
At 31 December 2016	–
Add: amount transferred on exercise of share options	–
Less: amount utilised on acquisition of non–controlling interest	–
At 31 December 2017	–

Capital Redemption Reserve

	INR in Crores
At 1 January 2016	
Add: Reason of movement, if any	
At 31 December 2016	
Add: Reason of movement, if any	
At 31 December 2017	

Securities premium account

	INR in Crores
At 1 January 2016	
Add: Premium on issue of shares allotted pursuant to exercise of ESOP	
Add: Premium on QIP and preferential allotment of equity shares	
At 31 December 2016	
Add: Premium on issue of shares allotted pursuant to exercise of ESOP	
Add: Premium on QIP and preferential allotment of equity shares	
At 31 December 2017	

Debenture Redemption Reserve (DRR)

SCHEDULES TO FINANCIALS FOR THE YEAR ENDED AND AS AT 31 DECEMBER, 2017

The Company has issued redeemable non–convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued. Though the DRR is required to be created over the life of debentures, the Company has upfront created DRR out of retained earnings for an amount which is higher than the minimum required (1 April 2014: 26.72%, 31 March 2015: 26.72% and 31 March 2016: 26.72%).

	INR in Crores
At 1 January 2016	–
Changes during the period	–
At 31 December 2016	–
Changes during the period	–
At 31 December 2017	–

General reserve

	INR in Crores
At 1 January 2016	
At 31 December 2016	
At 31 December 2017	

Balance in Statement of Profit and Loss

	INR in Crores	NPR
At 1 January 2016	19.01	297,113,795
Add: Profit during the year	10.41	162,616,985
Add: Prior year adjustments and provision write off	2.16	33,807,483
Less: Transfer to debenture redemption reserve		
Less: Dividend payout	19.05	297,555,453
At 31 December 2016	12.54	195,982,810
Add: Profit during the year	4.30	69,385,644
Add: Prior year adjustments and provision write off	–	–
Less: Transfer to special reserve	(0.60)	(9,715,467)
Less: Dividend payout	9.44	152,208,981
At 31 December 2017	7.4	103,444,006
Total other equity		
At 1 January 2016	19.01	297,113,795
At 31 December 2016	12.54	195,982,810
At 31 December 2017	7.40	103,444,006

14. Borrowings#

	Effective interest rate %	Maturity	31 December 2017 INR in Crores	31 December 2016 INR in Crores	1 April 2016 INR in Crores	31 December 2017 INR in Crores	31 December 2016 INR in Crores	1 April 2016 INR in Crores
Non–current borrowings								
Non–current interest bearing loans and borrowings:								
Secured Loans			0.67	11.75	4.31	10,722,164	183,552,723	67,331,521
Total secured loans			**0.67**	**11.75**	**4.31**	**10,722,164**	**183,552,723**	**67,331,521**
Total non–current interest bearing loans and borrowings			**0.67**	**11.75**	**4.31**	**10,722,164**	**183,552,723**	**67,331,521**

SCHEDULES TO FINANCIALS FOR THE YEAR ENDED AND AS AT 31 DECEMBER, 2017

15. Trade payables

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	NPR	NPR
Trade payables	7.83	8.59	126,232,956	134,143,859
Trade payables to related parties	11.14	9.57	179,625,366	149,500,934
	18.97	**18.15**	**305,858,322**	**283,644,792**

16. Other current liabilities

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	NPR	NPR
Advance from customers and unearned income	2.81	1.38	45,370,685	21,596,400
Unearned Revenue				
Taxes and other liabilities	6.93	5.79	111,764,368	90,486,523
Accrued salaries and Employee benefits	1.40	2.50	22,650,311	39,136,726
Lease equalisation reserve				
	11.15	**9.68**	**179,785,364**	**151,219,649**

17. Revenue from operations

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	NPR	NPR
Sale of products (including excise duty)				
Telecom products				
Power management				
Rendering of Services	56.99	62.40	911,877,544	990,435,215
Telecom services				
Power management				
Revenue from energy management business				
Other Operating Revenue				
Export Incentives				
Technical Know–how and Licensing Fees				
Scrap Sales				
Others	**56.99**	**62.40**	**911,877,544**	**990,435,215**

18. Other income

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	NPR	NPR
Interest income	0.62	0.69	9,967,293	10,886,481
Government grants				
Fair value gain on financial instruments at fair value through profit or loss				
Gain on foreign currency transactions (Net)	–	(0.00)	–	(734)
Profit on sale of current investments				
Lease and rent income				
Other non–operating income	0.75	2.15	12,045,981	34,141,570
	1.38	**2.84**	**22,013,274**	**45,028,051**

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

SCHEDULES TO FINANCIALS FOR THE YEAR ENDED AND AS AT 31 DECEMBER, 2017

19. Cost of materials consumed

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	NPR	NPR
Raw Material Consumed				
Inventory at the beginning of the year	2.11	0.61	33,704,859	9,608,918
Add: Purchases	8.69	9.48	139,086,017	150,523,355
	10.80	10.09	172,790,876	160,132,273
Less: inventory at the end of the year	1.83	2.11	29,223,046	33,438,333
Cost of raw material and components consumed	**8.97**	**7.98**	**143,567,830**	**126,693,940**

20. Purchases of stock–in–trade

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	NPR	NPR
Inventory at the beginning of the year	2.11	0.61	33,704,859	9,608,918
Add: Purchases of stock in trade :	6.55	9.48	104,764,165	150,523,355
Add: Purchase of material (Other than for trade) and services:	20.70	15.52	331,190,476	246,400,000
	29.35	25.61	469,659,499.58	406,532,273.15
Less: inventory at the end of the year	1.83	2.11	29,223,046	33,438,333
Purchases of stock–in–trade	**27.53**	**23.50**	**440,436,454**	**373,093,940**

21. Changes in inventories of finished goods, stock–in–trade and work–in–progress

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	NPR	NPR
Opening Stock				
Work–in–Process	1.34	0.30	21,506,486	4,779,373
Finished Goods	2.11	0.61	33,704,859	9,608,918
Stock–in–Trade				
Spares and consumables				
Less: Closing Stock				
Work–in–Process	(1.40)	1.34	(22,367,526)	21,336,421
Finished Goods	(1.83)	2.11	(29,223,046)	33,438,333
Stock–in–Trade				
Spares and consumables				
	0.23	**4.36**	**3,620,773**	**69,163,045**

22. Employee benefits expenses

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	NPR	NPR
Salaries, wages and bonus	11.03	9.83	176,544,316	156,046,581
Contribution to provident and other funds	0.29	0.17	4,666,839	2,661,675
Employee stock option scheme			0	
Gratuity expense	0.19	0.15	3,056,382	2,357,565
Staff welfare expense	0.29	0.26	4,668,087	4,122,490
Recruitment and training	0.01	0.01	158,035	166,443
	11.82	**10.42**	**189,093,659**	**165,354,754**

SCHEDULES TO FINANCIALS FOR THE YEAR ENDED AND AS AT 31 DECEMBER, 2017

23. Finance costs

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	NPR	NPR
Interest				
– On fixed period loan	0.67	0.50	10,653,302	7,969,437
– Others				
Exchange difference to the extent considered as an adjustment to borrowing cost				
Total finance cost	**0.67**	**0.50**	**10,653,302**	**7,969,437**

24. Depreciation and amortization expense

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	NPR	NPR
Depreciation of tangible assets (note 3)	0.80	0.87	12,771,766	13,846,157
Amortization of intangible assets (note 5)				
Depreciation on Investment Properties (note 4)				
	0.80	**0.87**	**12,771,766**	**13,846,158**

25. Other expenses

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	INR in Crores	INR in Crores	NPR	NPR
Repairs and maintenance				
Plant and machinery	0.08	0.11	1,223,547	1,740,170
Others	0.01	0.01	152,250	171,492
Other insurance	0.17	0.18	2,704,530	2,854,434
Non network rent	0.62	0.46	9,907,395	7,342,379
Rates and taxes			–	–
Electricity	0.01	0.03	165,476	555,188
Printing and stationery	0.06	0.16	999,331	2,571,188
Communication expenses	0.22	0.15	3,517,711	2,359,876
Travelling and conveyance	0.67	0.88	10,717,142	13,922,638
Bad debts / advances written off			–	–
Provision for bad and doubtful debts/advances			–	–
Bank charges	0.02	0.05	313,509	718,829
Directors commission			–	–
Directors' sitting fees			–	–
Legal and professional charges	0.26	0.11	4,134,468	1,694,622
Audit fees	0.02	0.01	328,125	225,000
Loss/(Gain) on sale of fixed assets/asset disposed off (net)	0.28	0.01	4,490,713	135,119
CSR expenditure (refer details below)			–	–
Miscellaneous expenses	0.22	0.45	3,575,913	7,220,421
	2.64	2.62	42,230,110	41,511,355
Payments to the auditor:				
As auditor				
Audit fee	0.01	0.01	225,000	225,000
Tax audit fee				
Limited review				
In other capacity:				
Taxation matters				
Company law matters				
Other services (certification fees)				
Reimbursement of expenses				
	0.01	**0.01**	**225,000**	**225,000**

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

It is the responsibility of the management to prepare the financial statements which give a true and fair view of the financial position of **iGTL Myanmar Limited** as at 31 March 2018 and the income for that year. In preparing these financial statements, the management is required to:

– Select suitable accounting policies and then apply them consistently: and

– Make judgement and estimates that are reasonable and prudent.

The management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. We, as the Management Committee, have general responsibility for taking such steps as are reasonably open to us to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of Management

Mr: Mahesh Singh
Finance Director
iGTL MYANMAR Limited

Mr: Sanjay Hirpara
Country Head
iGTL MYANMAR Limited

April 26, 2018

INDEPENDENT AUDITORS' REPORT

To the members of iGTL Myanmar Limited

Report on the Financial Statements

We have audited the accompanying financial statements of iGTL Myanmar Limited, which comprise the statement of financial position as at 31st March 2018 and the statements of comprehensive income, changes in equity and cash flows for the 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 Myanmar Financial Reporting Standard for Small and Medium–sized Entities (MFRS for SMEs) and the provision of the Myanmar Companies Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Myanmar 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 judgment, 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 the 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.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of iGTL Myanmar Limited as of March 31, 2018, and of its financial performance and its cash flows for the year then ended in accordance with MFRS for SMEs and the provisions of the Myanmar Companies Act.

Report on Other Legal and Regulatory Requirements

In accordance with the provisions of Myanmar Companies Act, we report that

(i) we have obtained all the information and explanations we have required; and

(ii) books of account have been maintained by the Company as required by Section 130 of the Act

Nay Min Thant (PA–466)
Partner
WIN THIN & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

April 26, 2018

BALANCE SHEET AS AT 31 MARCH 2018

(All amounts in MMK, unless otherwise stated)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
		INR in Crore	INR in Crore	MMK	MMK
Assets					
Non–current assets					
Property, plant and equipment	3	**0.41**	0.59	**56,177,263**	119,094,567
Other non–current assets	4	**0.04**	0.04	**9,035,000**	8,835,000
		0.46	**0.64**	**65,212,263**	**127,929,567**
Current assets					
Inventories	5	**18.98**	5.93	**4,181,338,234**	1,191,655,697
Financial assets		**–**	–		
Trade receivables	6	**29.87**	20.09	**6,581,502,555**	4,037,360,939
Cash and cash equivalents	7	**0.75**	3.33	**164,608,386**	669,088,744
Other receivables	8	**1.95**	1.04	**429,573,206**	208,273,690
Current Tax Assets (Net)	9	**6.78**	4.94	**1,492,601,491**	992,443,133
Other current assets	10	**0.36**	3.26	**78,384,374**	655,263,261
		58.68	**38.58**	**12,928,008,246**	**7,754,085,464**
Assets classified as held for sale		**–**	–		
		58.68	**38.58**	**12,928,008,246**	**7,754,085,464**
Total Assets		**59.14**	**39.22**	**12,993,220,509**	**7,882,015,031**
Equity and liabilities					
Equity					
Equity Share Capital	11	**1.15**	1.15	**232,025,000**	232,025,000
Other Equity	12	**7.74**	9.32	**1,526,125,045**	1,873,340,532
Total Equity		**8.90**	**10.47**	**1,758,150,045**	**2,105,365,532**
Current liabilities:					
Financial liabilities					
Trade payables	13	**34.80**	20.57	**7,666,000,634**	4,135,202,061
Other current liabilities	14	**3.18**	2.80	**700,961,860**	563,547,801
Provisions	15	**12.26**	5.36	**2,868,107,970**	1,077,899,637
Current tax liabilities (net)		**–**	–		
		50.24	**28.74**	**11,235,070,464**	**5,776,649,499**
Total liabilities		50.24	28.74	11,235,070,464	5,776,649,499
Total equity and liabilities		**59.14**	**39.22**	**12,993,220,509**	**7,882,015,031**

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(All amounts in MMK, unless otherwise stated)

Particulars	Notes	Year ended 31st March, 2018 INR in Crore	Year ended 31st March, 2017 INR in Crore	Year ended 31st March, 2018 MMK	Year ended 31st March, 2017 MMK
Continuing operations					
Revenue from operations	16	**103.76**	104.36	**22,986,299,816**	21,691,866,354
Other income	17	**0.22**	0.41	**49,270,613**	84,519,279
TOTAL INCOME		**103.98**	**104.76**	**23,035,570,429**	**21,776,385,633**
EXPENSES					
Purchases of stock–in–trade	18	**49.48**	76.42	**10,960,996,930**	16,092,346,632
Changes in inventories of finished goods, stock–in–trade and work–in–progress	19	**(13.50)**	3.00	**(2,989,682,537)**	415,036,480
Employee benefits expenses	20	**7.24**	7.57	**1,604,411,356**	1,573,060,460
Depreciation and amortisation expenses	21	**0.35**	0.46	**76,452,970**	95,310,096
Other expenses	22	**53.84**	9.46	**11,927,394,949**	1,790,945,893
TOTAL EXPENSES		**97.41**	**96.90**	**21,579,573,667**	**19,966,699,561**
Profit/(loss) before exceptional items and tax from continuing operations		**6.57**	**7.86**	**1,455,996,762**	**1,809,686,072**
Exceptional items					
Profit/(loss) before tax from continuing operations		**6.57**	**7.86**	**1,455,996,762**	**1,809,686,072**
Tax expenses					
Current tax		**2.28**	2.18	**503,212,249**	452,421,518
Adjustment of tax relating to earlier periods					
Deferred tax credit/(charge)					
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**4.29**	**5.69**	**952,784,513**	**1,357,264,554**
		–	–		
Discontinued operations:		**–**	**–**		
Profit/(loss) before tax for the year from discontinued operations	15	–	–	**–**	–
Tax Income/ (expense) of discontinued operations		–	–	**–**	–
Profit/ (loss) for the year from discontinued operations		**–**	**–**	**–**	**–**
		–	–		
Profit/(loss) for the year		**4.29**	**5.69**	**952,784,513**	**1,357,264,554**
		–	–		
Other Comprehensive Income		**–**	**–**		
A (i) Items that will not be reclassified to profit or loss		–	–		
(ii) Income tax relating to items that will not be reclassified to profit or loss		–	–		
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		–	–	–	–
		–	–		
B (i) Items that will be reclassified to profit or loss		–	–		
(ii) Income tax relating to items that will be reclassified to profit or loss		–	–		
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		–	–	–	–
Other comprehensive income for the year, net of tax		**–**	**–**	**–**	**–**
Total Comprehensive Income for the period, net of tax		**4.29**	**5.69**	**952,784,513**	**1,357,264,554**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

a. **Equity Share Capital:**

Equity shares of INR XX each issued, subscribed and fully paid

	No. in Crores	INR Crores	MMK
At 1 April 2016	**200,000.00**	**1.29**	**232,025,000**
Issue of share capital (Note 17)	–	–	
At 31 March 2017	**200,000.00**	**1.15**	**232,025,000**
Issue of share capital (Note 17)	–	–	
At 31 March 2018	**200,000.00**	**1.15**	**232,025,000**
		1.15	**232,025,000**

b. **Other Equity:**

For the year ended 31 March 2018

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)		
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	In MMK
As at 31st March 2017	**–**	**–**	**–**	**–**	**–**	**–**	**9.32**	**–**	**9.32**	**1,873,340,532**
Net Profit for the period							4.32		4.32	952,784,513
Other comprehensive income									–	–
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**4.32**	**–**	**4.32**	**952,784,513**
Dividends	–	–	–	–	–	–	–5.90	–	–5.90	(1,300,000,000)
Transfer from debenture redemption reserve	–	–	–	–	–	–	–	–	–	–
Transfer from Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–	–
Transfer to general reserve	–	–	–	–	–	–	–	–	–	–
Transfer to Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–	–
As at 31 March 2018	**–**	**–**	**–**	**–**	**–**	**–**	**7.74**	**–**	**7.74**	**1,526,125,045**

For the year ended 31 March 2017

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)		
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	In MMK
As at 1st April 2016	**–**	**–**	**–**	**–**	**–**	**–**	**8.60**	**–**	**8.60**	**1,547,325,978**
Net Profit for the period							5.69		5.69	1,357,264,554
Other comprehensive income									–	–
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**5.69**	**–**	**5.69**	**1,357,264,554**
Impact of translation of financials into INDAS									–	–
Dividends	–	–	–	–	–	–	4.96	–	4.96	–1,031,250,000
Transfer from debenture redemption reserve	–	–	–	–	–	–	–	–	–	–
Transfer from Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–	–
Transfer to general reserve	–	–	–	–	–	–	–	–	–	–
Transfer to Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–	–
As at 31 March 2017	**–**	**–**	**–**	**–**	**–**	**–**	**9.32**	**–**	**9.32**	**1,873,340,532**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	31 March 2018	31 March 2017	31 March 2018	31 March 2017
		INR in Crores	INR in Crores	MMK	MMK
Operating activities					
Profit before tax from continuing operations		**4.32**	9.00	**952,784,513**	1,809,686,072
Profit/(loss) before tax from discontinued operations					
Profit before tax		**4.32**	9.00	**952,784,513**	1,809,686,072
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation and impairment of property, plant and equipment		**0.35**	0.47	**76,452,970**	95,310,096
Gain on disposal of property, plant and equipment		**0.00**	0.01	**73,644**	1,277,811
Provision for current tax (net of MAT credit entitlement)		**2.28**	–	**503,212,249**	
Liabilities / provisions no longer required written back		**(0.06)**	(0.13)	**(13,003,916)**	(27,122,281)
(Increase)/decrease in other current and non current assets		**(25.32)**	(0.92)	**(5,578,328,140)**	(185,917,753)
Increase /(decrease) in trade payables, other current and non current liabilities and provisions		**16.65**	(2.70)	**3,668,212,632**	(543,480,116)
		2.55	14.72	**(390,596,048)**	1,149,753,829
Dividend paid		**–**	(5.13)	**–**	(1,031,244,892)
Income tax paid (including TDS) (net)		**(0.46)**	(0.32)	**(100,275,000)**	(64,290,000)
Net cash flows from operating activities		**2.10**	**14.40**	**(490,871,048)**	**54,218,937**
Proceeds from sale of property, plant and equipment					
Purchase of property, plant and equipment (including CWIP)		**(0.06)**	(0.45)	**–13,609,310.00**	–90,064,556.00
Net cash flows from / (used in) investing activities		**(0.06)**	**(0.45)**	**(13,609,310.00)**	**(90,064,556.00)**
Financing activities					
Proceeds from issue of equity share capital		**–**	–		
Net cash flows from / (used in) financing activities		**–**	**–**	**–**	**–**
Net increase / (decrease) in cash and cash equivalents		**2.03**	**13.96**	**(504,480,358.48)**	**(35,845,619.00)**
Adjustment on account of translation		**(4.62)**	**(14.55)**		
Cash and cash equivalents at the beginning of the year		**3.33**	3.92	**669,088,744**	704,934,363
Cash and cash equivalents at the end		**0.75**	**3.33**	**164,608,385.52**	**669,088,744.00**

SCHEDULES TO FINANCIALS FOR THE YEAR ENDED AND AS AT 31 MARCH 2018

Note 3: Property, plant and equipment

	Freehold land	Leasehold land	Buildings	Plant & machinery	Furniture & fixtures	Office equipments	Computers	Vehicles	Total
	MMK	MMK	MMK	MMK	MMK	MMK	MMK	MMK	MMK
Cost									
At 1 April 2016	–	–	–	**75,459,135.00**	**25,380,615.00**	**18,819,600.00**	**44,300,015.00**	**9,499,100.00**	**173,458,465.00**
Additions				48,348,960.00	8,265,000.00	2,491,058.00	29,499,538.00	1,460,000.00	90,064,556.00
Disposals				(3,283,000.00)				(1,350,000.00)	(4,633,000.00)
At 31 March 2017	–	–	–	**120,525,095.00**	**33,645,615.00**	**21,310,658.00**	**73,799,553.00**	**9,609,100.00**	**258,890,021.00**
Additions				1,646,100.00	1,986,800.00	1,698,650.00	6,012,760.00	2,265,000.00	13,609,310.00
Disposals							(299,000.00)		(299,000.00)
Discontinued operations (Note XX)									–
At 31 March 2018	–	–	–	**122,171,195.00**	**35,632,415.00**	**23,009,308.00**	**79,513,313.00**	**11,874,100.00**	**272,200,331.00**
Depreciation and impairment									
At 1 April 2016	–	–	–	**25,639,460.00**	**7,684,775.00**	**4,382,027.00**	**8,237,307.00**	**1,896,978.00**	**47,840,547.00**
Depreciation charge for the year				48,099,413.00	10,211,701.00	8,355,845.00	24,028,947.00	4,614,190.00	95,310,096.00
Disposals				(2,365,528.00)		–		(989,661.00)	(3,355,189.00)
At 31 March 2017	–	–	–	**71,373,345.00**	**17,896,476.00**	**12,737,872.00**	**32,266,254.00**	**5,521,507.00**	**139,795,454.00**
Depreciation charge for the year**				29,750,397.00	10,757,892.00	6,434,885.00	25,988,413.00	3,521,383.00	76,452,970.00
Disposals						–	(225,356.00)		(225,356.00)
Discontinued operations									–
At 31 March 2018	–	–	–	**101,123,742.00**	**28,654,368.00**	**19,172,757.00**	**58,029,311.00**	**9,042,890.00**	**216,023,068.00**
Net Book Value									
At 31 March 2018	–	–	–	**21,047,453.00**	**6,978,047.00**	**3,836,551.00**	**21,484,002.00**	**2,831,210.00**	**56,177,263.00**
At 31 March 2017	–	–	–	**49,151,750.00**	**15,749,139.00**	**8,572,786.00**	**41,533,299.00**	**4,087,593.00**	**119,094,567.00**
At 1 April 2016	–	–	–	**49,819,675.00**	**17,695,840.00**	**14,437,573.00**	**36,062,708.00**	**7,602,122.00**	**125,617,918.00**

Net Book Value

	At 31 March 2018	At 31 March 2017
	INR in Crores	INR in Crores
Plant, property and equipment	56,177,263.00	119,094,567.00
Capital Work in Progress	–	–

SCHEDULES TO FINANCIALS FOR THE YEAR ENDED AND AS AT 31 MARCH 2018

Note 4: Financial assets

	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	INR in Crores	INR in Crores	MMK	MMK
Advances other than capital advances				
Security Deposits	0.04	0.03	9,035,000.00	8,835,000.00
	0.04	**0.03**	**9,035,000.00**	**8,835,000.00**

Note 5: Inventories

	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	INR in Crores	INR in Crores	MMK	MMK
Raw materials (at cost)	0.62	0.61	135,658,352.00	151,532,065.00
Work in progress (at cost)	18.36	8.31	4,045,679,882.00	1,040,123,632.00
Total inventories at the lower of cost and net realisable value	**18.98**	**8.93**	**4,181,338,234.00**	**1,191,655,697.00**

Note 6: Trade and other receivables

	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	INR in Crores	INR in Crores	MMK	MMK
Trade receivables	29.87	20.09	6,581,502,555.00	4,037,360,939.00
Total Trade and other receivables	**29.87**	**20.09**	**6,581,502,555.00**	**4,037,360,939.00**
	–	–		
Trade receivables		–		
Secured, considered good		–		
Unsecured, considered good	29.87	20.09	6,581,502,555.00	4,037,360,939.00
Doubtful	–	–		
	29.87	**20.09**	**6,581,502,555.00**	**4,037,360,939.00**
Total trade receivables	**29.87**	**20.09**	**6,581,502,555.00**	**4,037,360,939.00**

Note 7: Cash and cash equivalents

	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	INR in Crores	INR in Crores	MMK	MMK
Balances with banks	**–**	–		
In current accounts	**0.74**	3.74	**162,581,706.00**	658,545,954.00
Cash on hand	**0.01**	0.17	**2,026,680.00**	10,542,790.00
	0.75	3.92	**164,608,386.00**	669,088,744.00
Balances with banks:	**–**	–		
– On current accounts	**0.74**	3.74	**162,581,706.00**	658,545,954.00
Cash on hand	**0.01**	0.17	**2,026,680.00**	10,542,790.00
	3.33	**3.92**	**164,608,386.00**	**669,088,744.00**

Note 8: Other receivables

	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	INR in Crores	INR in Crores	MMK	MMK
Other receivables	**0.23**	0.17	**50,463,602.00**	34,324,071.00
Other loans and advances	**–**	–		
Considered good	**1.72**	0.41	**379,109,604.00**	173,949,619.00
Considered doubtful	**–**	–		
Less: allowance for doubtful advances	**–**	–		
	1.95	**0.58**	**429,573,206.00**	**208,273,690.00**

SCHEDULES TO FINANCIALS FOR THE YEAR ENDED AND AS AT 31 MARCH 2018

Note 9: Current Tax Assets (Net)

	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	INR in Crores	INR in Crores	MMK	MMK
Advance Income Tax & Tax deducted at source (Net of provision)	6.78	2.94	1,492,601,491.00	992,443,133.00
	6.78	**2.94**	**1,492,601,491.00**	**992,443,133.00**

Note 10: Other current assets

	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	INR in Crores	INR in Crores	MMK	MMK
Prepaid expenses	**0.36**	0.49	**78,384,374.00**	140,709,551.00
Unbilled revenue (RR)	**–**	1.03	**–**	514,553,710.00
	0.36	**1.52**	**78,384,374.00**	**655,263,261.00**

Note 11: Share Capital

Authorised Share Capital

	Equity shares		Preference shares			Equity shares		Preference shares	
	Numbers	MMK	No. in Crores	MMK		Numbers	INR in Crore	No. in Crores	INR in Crore
At 1 April 2016	200,000.00	232,025,000	–	–	1.05	200,000.00	1.29	–	–
Increase / (decrease) during the year	–	–	–	–		–	–	–	–
At 31 March 2017	200,000.00	232,025,000	–	–	1.05	200,000.00	1.15	–	–
Increase / (decrease) during the year	–	–	–	–		–	–	–	–
At 31 March 2018	**200,000.00**	**232,025,000**	**–**	**–**	**1.05**	**200,000.00**	**1.15**	**–**	**–**

Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of INR 1 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued equity capital

Equity shares of INR 1 each issued, subscribed and fully paid

	No. in Crores	MMK	No. in Crores	INR in Crore
At 1 April 2016	–	232,025,000.00	–	1.29
Changes during the year	–	–	–	–
At 31 March 2017	–	232,025,000.00	–	1.15
Changes during the year	–	–	–	–
At 31 March 2018	**–**	**232,025,000.00**	**–**	**1.15**

Note 12: Other equity

Balance in Statement of Profit and Loss

	MMK	INR in Crore
At 1 April 2016	**1,547,325,978.00**	**8.60**
Add: Profit during the year	1,357,264,554.00	5.69
Less: Dividend paid	1,031,250,000.00	4.96
At 31 March 2017	**1,873,340,532.00**	**9.32**
Add: Profit during the year	952,784,513.00	4.32
Less: Dividend paid	1,300,000,000.00	5.90
At 31 March 2018	**1,526,125,045.00**	**7.74**
Total other equity		
At 1 April 2016	**1,547,325,978.00**	**8.60**
At 31 March 2017	**1,873,340,532.00**	**9.32**
At 31 March 2018	**1,526,125,045.00**	**7.74**

SCHEDULES TO FINANCIALS FOR THE YEAR ENDED AND AS AT 31 MARCH 2018

Note 13: Trade payables

	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	INR in Crore	INR in Crore	MMK	MMK
Trade payables	**34.80**	20.57	**7,666,000,634.00**	4,135,202,061.00
Trade payables to related parties				
	34.80	**20.57**	**7,666,000,634.00**	**4,135,202,061.00**

Note 14: Other current liabilities

	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	INR in Crore	INR in Crore	MMK	MMK
Advance from customers and unearned income	**2.03**	0.99	**447,975,023.00**	199,301,293.00
Unearned Revenue	**0.68**	1.02	**150,598,501.00**	204,610,916.00
Taxes and other liabilities	**0.13**	0.24	**27,941,565.89**	47,492,173.00
Accrued salaries and Employee benefits	**0.34**	0.56	**74,446,769.80**	112,143,419.00
	3.18	**2.80**	**700,961,859.69**	**563,547,801.00**

Note 15: Provisions

	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	INR in Crore	INR in Crore	MMK	MMK
Other provisions	**12.14**	5.36	**2,868,107,970.00**	1,077,899,637.00
	12.14	**5.36**	**2,868,107,970.00**	**1,077,899,637.00**

Note 16: Revenue from operations

	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	INR in Crore	INR in Crore	MMK	MMK
Rendering of Services				
Telecom services	**103.76**	104.36	**22,986,299,816.00**	21,691,866,354.00
	103.76	**104.36**	**22,986,299,816.00**	**21,691,866,354.00**

Note 17: Other income

	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	INR in Crore	INR in Crore	MMK	MMK
Interest income	**0.22**	0.41	**49,270,613.00**	84,519,279.00
	0.22	**0.41**	**49,270,613.00**	**84,519,279.00**

Note 18: Purchases of stock–in–trade

	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	INR in Crore	INR in Crore	MMK	MMK
Inventory at the beginning of the year				
Add: Purchases of stock in trade :				
Add: Purchase of material (Other than for trade) and services:	**35.98**	76.42	**7,971,314,393.00**	16,092,346,632.00
	35.98	76.42	**7,971,314,393.00**	16,092,346,632.00
Less: inventory at the end of the year				
Purchases of stock–in–trade	**35.98**	**76.42**	**7,971,314,393.00**	**16,092,346,632.00**

Note 19: Changes in inventories of finished goods, stock–in–trade and work–in–progress

	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	INR in Crore	INR in Crore	MMK	MMK
Opening Stock				
Work–in–Process	**4.70**	8.31	**1,040,123,632.00**	1,496,276,041.00
Spares and consumables	**0.68**	0.61	**151,532,065.00**	110,416,136.00
Less: Closing Stock	**–**	–		–
Work–in–Process	**(18.26)**	(5.17)	**(4,045,679,882.00)**	(1,040,123,632.00)
Spares and consumables	**(0.61)**	(0.75)	**(135,658,352.00)**	(151,532,065.00)
	(13.50)	**3.00**	**2,989,682,537.00)**	**415,036,480.00**

SCHEDULES TO FINANCIALS FOR THE YEAR ENDED AND AS AT 31 MARCH 2018

Note 20: Employee benefits expenses

	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	INR in Crore	INR in Crore	MMK	MMK
Salaries, wages and bonus	**6.91**	7.08	**1,530,977,722.00**	1,471,808,950.00
Staff welfare expense	**0.33**	0.49	**73,433,633.96**	101,251,510.00
	7.24	**7.57**	**1,604,411,355.96**	**1,573,060,460.00**

Note 21: Depreciation and amortization expense

	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	INR in Crore	INR in Crore	MMK	MMK
Depreciation of tangible assets (note 3)	**0.35**	0.46	**76,452,970.00**	95,310,096.00
	0.35	**0.46**	**76,452,970.00**	**95,310,096.00**

Note 22: Other expenses

	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	INR in Crore	INR in Crore	MMK	MMK
Repairs and maintenance				
Plant and machinery				
Others	**0.03**	0.03	**6,162,130.00**	6,081,710.00
Other insurance	**0.40**	0.13	**87,621,186.06**	26,728,078.00
Non network rent	**1.29**	1.13	**285,108,325.19**	234,593,963.00
Rates and taxes	**0.01**	0.02	**1,926,500.00**	3,332,350.00
Electricity	**0.12**	0.17	**26,233,820.00**	36,313,970.00
Communication expenses	**0.29**	0.08	**63,312,260.96**	17,146,683.00
Travelling and conveyance	**0.34**	0.43	**75,869,262.54**	90,287,011.00
Legal and professional charges	**17.35**	6.01	**3,842,787,870.01**	1,248,958,326.00
Audit fees	**0.04**	0.08	**8,877,230.34**	16,484,925.00
Miscellaneous expenses	**33.99**	1.38	**7,529,496,363.42**	111,018,877.00
	53.84	**9.46**	**11,927,394,948.52**	**1,790,945,893.00**

STATEMENT OF FINANCIAL POSITION 31 MARCH 2018

	Note	2018 MMK	2017 MMK
ASSETS			
Non–current assets			
Property, plant and equipment – net	3	**56,177,263.00**	119,094,567.00
		56,177,263.00	119,094,567.00
Current Assets			
Cash and cash equivalents	4	**164,608,386.00**	669,088,744.00
Accounts receivable	5	**6,581,502,555.00**	4,037,360,939.00
Deposit	6	**9,035,000.00**	8,835,000.00
Inventory	7	**4,181,338,234.00**	1,191,655,697.00
Other current assets	8	**2,000,559,071.00**	1,855,980,084.00
		12,937,043,246.00	7,762,920,464.00
		12,993,220,509.00	7,882,015,031.00
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity			
Authorized Share Capital			
500,000 shares of USD 1 each		**USD 500,000.00**	USD 500,000.00
Issued and fully paid up capital			
200,000 shares of USD 1 each	9	**232,025,000.00**	232,025,000.00
Retained earnings		**1,526,125,045.00**	1,873,340,532.00
		1,758,150,045.00	2,105,365,532.00
Current Liabilities			
Trade & other payable	10	**4,272,710,755.00**	2,678,436,088.00
Provisions	11	**6,962,359,709.00**	3,098,213,411.00
		11,235,070,464.00	5,776,649,499.00
		12,993,220,509.00	7,882,015,031.00
REVENUE	12	**22,986,299,816.00**	21,692,716,354.00
LESS: COMMERCIAL TAX		**–**	(850,000.00)
		22,986,299,816.00	21,691,866,354.00
LESS: COST OF SALE	13	**(19,987,527,829.00)**	(18,224,290,038.00)
GROSS PROFIT/(LOSS)		**2,998,771,987.00**	3,467,576,316.00
OTHER INCOME		**49,270,613.00**	84,519,279.00
		3,048,042,600.00	3,552,095,595.00
EXPENSES			
Administration and general expenses	14	**(1,547,591,968.00)**	(1,734,131,714.00)
Finance expense		**(19,128,225.00)**	(15,514,572.00)
Exchange Gain / (Loss)		**(25,325,645.00)**	7,236,763.00
NET PROFIT BEFORE TAX		1,455,996,762.00	**1,809,686,072.00**
INCOME TAX EXPENSES		(503,212,249.00)	**(452,421,518.00)**
NET PROFIT/(LOSS) AFTER TAX		952,784,513.00	**1,357,264,554.00**
OTHER COMPREHENSIVE INCOME		**–**	**–**
TOTAL COMPREHENSIVE INCOME		952,784,513.00	**1,357,264,554.00**

See Accompanying Notes to Financial Statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR 01 APRIL 2017 TO 31 MARCH 2018

	2018 MMK	2017 MMK
ISSUED AND PAID UP CAPITAL		
Balance at beginning of year	**232,025,000.00**	232,025,000.00
Shares issued during the year	**–**	–
	232,025,000.00	**232,025,000.00**
RETAINED EARNINGS		
Balance at beginning of year	**1,873,340,532.00**	1,547,325,978.00
Net profit / (loss) for the year	**952,784,513.00**	1,357,264,554.00
Dividend	**(1,300,000,000.00)**	(1,031,250,000.00)
	1,526,125,045.00	1,873,340,532.00
	1,758,150,045.00	2,105,365,532.00

STATEMENT OF CASH FLOWS FOR THE YEAR 01 APRIL 2017 TO 31 MARCH 2018

	2018 MMK	2017 MMK
Cash flows for operating activities		
Net Profit for the year	**952,784,513.00**	1,357,264,554.00
Adjustments for:		
Depreciation of property and equipment	**76,452,970.00**	95,310,096.00
Write off	**73,644.00**	1,277,811.00
Income Tax expenses	**503,212,249.00**	452,421,518.00
Provision for Contingency	**(13,003,916.00)**	(27,122,281.00)
Operating profit before working capital changes	**1,519,519,460.00**	1,879,151,698.00
(Increase)/ decrease in other current assets	**(5,578,328,140.00)**	(185,917,753.00)
Increase/ (decrease) in current liabilities	**3,668,212,632.00**	(543,480,116.00)
Cash utilized in operations	**(390,596,048.00)**	1,149,753,829.00
Dividend Paid	**–**	(1,031,244,892.00)
Income tax paid	**(100,275,000.00)**	(64,290,000.00)
Net cash provided by operating activities	**(490,871,048.00)**	54,218,937.00
Cash flows from investing activities		
Purchase of property and equipment	**(13,609,310.00)**	–90,064,556.00
Net cash provided by investing activities	**(13,609,310.00)**	–90,064,556.00
Cash flows from financing activities		
Proceeds from issue of share capital	**–**	–
Net cash provided by financing activities	**–**	–
Net increase in cash and cash equivalents	**(504,480,358.00)**	(35,845,619.00)
Cash and cash equivalents at beginning of the year	**669,088,744.00**	704,934,363.00
Cash and cash equivalents at end of year	**164,608,386.00**	669,088,744.00

See Accompanying Notes to Financial Statements.

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING MARCH 31,2018

1. **General**

iGTL Myanmar Limited (the Company) was incorporated in the Union of Myanmar as a foreign company under The Myanmar Companies Act, as per certificate of incorporation No.429FC/2014–2015 dated July 28, 2014 issued by the Ministry of National Planning and Economic Development. The Company is 100% foreign owned.

In accordance with Section 27A of The Myanmar Companies Act, the Company has been issued Permit to Trade No. 429FC/2014–2015 dated July 28, 2014 so as to carry out service activities in Myanmar.

The main objective of the Company are to provide the following services. These are

(a) Consultancy, Project Management, Supervision, Site Build Work including Supply & Services associated with Network Set Up & Power Distribution Set Up.

(b) Operation & Maintenance Services associated with Wire–Line, Wire–Less Networks.

The financial statements relate to the period from 1st April 2017 to 31st March 2018.

The registered office of the Company is located at G1–19, Tower D, Pearl Condominium, Kabaaye Pagoda Road, Bahan Township, Yangon, Myanmar.

2. **Summary of Significant Accounting Policies**

a) **Basis of Accounting**

The financial statements have been prepared in accordance and comply with Myanmar Financial Reporting Standards (MFRS) for Small and Medium–sized Entities and are based on historical cost convention. In preparing these financial statements, certain reclassifications and rearrangements have been made in 2016–17 financial statements to conform to the classification used in 2017–18.

b) **Use of estimates and judgments**

The preparation of the financial statements in conformity with MFRS requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

c) **Cash**

Cash and cash equivalents comprise cash in hand and deposits with other banks.

d) **Trade and other receivables**

Trade and other receivables are stated at the principal amount outstanding, net of any allowance for uncollectible amount.

e) **Inventories**

Inventories are stated at the lower of cost or net realizable value.

f) **Trade and other payables**

Trade and other payables are stated at nominal value.

g) **Property, plant and equipment**

Items of plant and machinery are stated at cost less accumulated depreciation. Depreciation is calculated on a straight–line basis over the estimated useful life of the assets as follows:

Computer Equipment	35%
Furniture & Fixtures	35%
Office Equipment	35%
Plant & Machinery	35%
Tool & Equipment	35%
Vehicles	35%

h) **Foreign Currency Translation**

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in Myanmar Kyat, which is the presentation currency of the company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency at the exchange rate prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the transaction at year–end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

i) **Revenue Recognition:**

Revenues are recognized when it is earned and when there is no significant uncertainty as to its measurement and realization. The specific revenue recognition policies are as under:

a. Revenue from turnkey contracts, which are either fixed price or cost plus contracts, is recognized based on work completion of activity or achievement of milestone duly certified by customer.

b. Revenue from sale of products is recognized upon passing of title of goods and/or on transfer of significant risk and rewards of ownership thereto.

c. Revenue from services is recognized based on performance of service that are recoverable.

d. Other income is recognized when the right to receive is established.

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING MARCH 31,2018

j) **Share capital**

Ordinary shares are classified as equity.

k) **Expense recognition**

All expenses are accounted for in the statement of comprehensive income on the accrual basis.

l) **Income Tax**

Income tax payable on profits, based on the applicable tax law, is recognized as an expense in the period in which profits arise.

m) **Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the statement of comprehensive income on straight line basis over the lease term.

n) **Related parties**

A party is related to an entity if

(a) directly, or indirectly through one or more intermediaries, the party:

(i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);

(ii) has an interest in the entity that gives it significant influence over the entity; or

(iii) has joint control over the entity;

(b) the party is an associate of the entity;

(c) the party is a joint venture in which the entity is a venture;

(d) the party is a member of key management personnel of the entity or its parents;

(e) the party is a close member of the family of any individual referred to in (a) or (d);

(f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides, directly or indirectly, with any individual referred to in (d) or (c); or

(g) the party is a post–employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

3. **Property, Plant and Equipment – net**

The details are as follows:

	Computer Equipment	Furniture & Fixture	Office Equipment	Plant & Machinery	Tool & Equipment	Vehicle	Total
	MMK	MMK	MMK	MMK	MMK	MMK	MMK
Year 2017–18							
Cost							
At April 1, 2017	73,799,553.00	33,645,615.00	21,310,658.00	41,584,900.00	78,940,195.00	9,609,100.00	258,890,021.00
Addition	6,012,760.00	1,986,800.00	1,698,650.00		1,646,100.00	2,265,000.00	13,609,310.00
Write off	(299,000.00)						(299,000.00)
At March 31, 2018	**79,513,313.00**	**35,632,415.00**	**23,009,308.00**	**41,584,900.00**	**80,586,295.00**	**11,874,100.00**	**272,200,331.00**
At April 1, 2017	32,266,254.00	17,896,476.00	12,737,872.00	14,570,708.00	56,802,637.00	5,521,507.00	139,795,454.00
Charge for the financial year	25,988,413.00	10,757,892.00	6,434,885.00	13,979,031.00	15,771,366.00	3,521,383.00	76,452,970.00
Write off	(225,356.00)						(225,356.00)
At March 31, 2018	**58,029,311.00**	**28,654,368.00**	**19,172,757.00**	**28,549,739.00**	**72,574,003.00**	**9,042,890.00**	**216,023,068.00**
Net Book Value at							
March 31, 2018	**21,484,002.00**	**6,978,047.00**	**3,836,551.00**	**13,035,161.00**	**8,012,292.00**	**2,831,210.00**	**56,177,263.00**
Year 2016–17							
Cost							
At April 1, 2016	44,300,015.00	25,380,615.00	18,819,600.00	19,143,000.00	56,316,135.00	9,499,100.00	173,458,465.00
Addition	29,499,538.00	8,265,000.00	2,491,058.00	25,724,900.00	22,624,060.00	1,460,000.00	90,064,556.00
Write off				(3,283,000.00)		(1,350,000.00)	(4,633,000.00)
At March 31, 2017	**73,799,553.00**	**33,645,615.00**	**21,310,658.00**	**41,584,900.00**	**78,940,195.00**	**9,609,100.00**	**258,890,021.00**
At April 1, 2016	8,237,307.00	7,684,775.00	4,382,027.00	4,396,205.00	21,243,255.00	1,896,978.00	47,840,547.00
Charge for the financial year	24,028,947.00	10,211,701.00	8,355,845.00	12,540,031.00	35,559,382.00	4,614,190.00	95,310,096.00
Write off				(2,365,528.00)		(989,661.00)	(3,355,189.00)
At March 31, 2017	**32,266,254.00**	**17,896,476.00**	**12,737,872.00**	**14,570,708.00**	**56,802,637.00**	**5,521,507.00**	**139,795,454.00**
Net Book Value at							
March 31, 2017	**41,533,299.00**	**15,749,139.00**	**8,572,786.00**	**27,014,192.00**	**22,137,558.00**	**4,087,593.00**	**119,094,567.00**

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING MARCH 31,2018

4. Cash and Cash Equivalents

Cash consist of:

	2018 MMK	2017 MMK
Cash on hand	**2,026,680.00**	10,542,790.00
Cash at bank	**162,581,706.00**	658,545,954.00
	164,608,386.00	669,088,744.00

5. Accounts Receivable

The above consist of:

	2018 MMK	2017 MMK
Apollo Tower Myanmar Ltd	**28,820,603.00**	(5,898,301.00)
Ericsson Myanmar Co., Ltd	**–**	28,809,874.00
Irrawaddy Green Towers Ltd.	**110,049,042.00**	26,677,618.00
Suntac Technologies Ltd.	**–**	10,638,969.00
KBZ Towers Co.Ltd	**2,368,445,023.00**	1,792,777,446.00
Myanmar GT Broadband Co.Ltd	**–**	10,180,650.00
OCK Yangon Private Limited	**–**	90,483,387.00
Ooredoo Myanmar Limited	**285,198,605.00**	463,975,124.00
Pun Hlaing Hospital	**20,469,555.00**	–
Suntac Engineering & Construction	**–**	(36,528,840.00)
Telenor Myanmar Ltd.	**3,681,515,470.00**	1,656,245,012.00
Telecom International Myanmar Co.Ltd	**87,004,257.00**	–
	6,581,502,555.00	**4,037,360,939.00**

6. Deposit

The above consist of:

	2018 MMK	2017 MMK
Other Deposits	**1,200,000.00**	–
Rental Deposit	**5,000,000.00**	6,000,000.00
Security Deposit	**2,835,000.00**	2,835,000.00
	9,035,000.00	8,835,000.00

7. Inventory

Inventories including work–in–process are valued at the lower of cost or net realizable value. Cost of inventories is generally ascertained on first in first out basis.

The above consist of:

	2018 MMK	2017 MMK
WIP Work In Process	**135,658,352.00**	151,532,065.00
Closing Stock	**4,045,679,882.00**	1,040,123,632.00
	4,181,338,234.00	1,191,655,697.00

8. Other Current Assets

The above consist of:

	2018 MMK	2017 MMK
Imprest for Project	379,109,604.00	173,949,619.00
Withholding Tax	1,122,631,491.00	722,748,133.00
Advance Income Tax	369,970,000.00	269,695,000.00
Duties & Taxes	22,339,531.00	–
Earned Income	–	514,553,710.00
Prepaid Expenses	78,384,374.00	140,709,551.00
Others	28,124,071.00	34,324,071.00
	2,000,559,071.00	**1,855,980,084.00**

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING MARCH 31,2018

9. Issued and Paid–up Capital

The equity shares of the iGTL Myanmar Limited registered as issued and paid–up capital are 199,999 shares owned by GTL Singapore Pte Ltd and 1share owned by GTL Europe Limited.

10. Trade and Other Payable

The above consist of:

	2018 MMK	2017 MMK
Trade Payable	**3,571,748,895.00**	2,114,888,287.00
Loan and Advances	**447,975,023.00**	199,301,293.00
Others	**252,986,837.00**	316,754,335.00
Duties & Taxes	**–**	47,492,173.00
	4,272,710,755.00	**2,678,436,088.00**

11. Provisions

The above consist of:

	2018 MMK	2017 MMK
Income Tax	**1,471,409,093.00**	968,196,844.00
Cost of Sales	**2,760,479,202.00**	1,055,766,338.00
Dividend	**1,300,005,108.00**	5,108.00
Expenses	**1,333,772,537.00**	964,547,436.00
Contingency	**96,693,769.00**	109,697,685.00
	6,962,359,709.00	3,098,213,411.00

12. Revenue (Ks 22,986,299,816.00)

The above represents the revenues earned from Turnkey project sales, supply service domestic, service income domestic and O&M domestic service and income fuel service to Telenor Myanmar Limited, Irrawaddy Green Tower Ltd, KBZ Gateway Co.,Ltd, Ooredoo Myanmar Limited and etc.

13. Cost of Sale

The details are as follows:

	2018 MMK	2017 MMK
Cost of Services	**5,029,205,718.00**	5,558,218,555.00
Material Purchases	**7,971,314,393.00**	2,694,149,501.00
Outsourced Service Manpower	**2,809,737,482.00**	1,064,927,934.00
Project Employees Cost	**1,123,677,076.00**	1,046,814,756.00
Project Execution Expenses	**511,552,800.00**	217,551,156.00
Project Management Support Services, Charges & Damages	**819,611,725.00**	6,315,788,276.00
Project Penalty/Damages	**535,228,700.00**	–
Transportation, Conveyance & Vehicle Hire Expenses	**982,253,510.00**	1,102,292,880.00
Ware house & Guest House Rent	**204,946,425.00**	224,546,980.00
	19,987,527,829.00	18,224,290,038.00

14. Administration and General Expenses

Administration and general expenses consist of:

	2018 MMK	2017 MMK
Audit Fees	**8,877,230.00**	16,484,925.00
Consultancy Charges	**30,955,940.00**	49,750,618.00
Depreciation	**76,452,970.00**	95,310,096.00
Employees Cost	**979,185,166.00**	1,131,126,778.00
Office Expenses	**186,195,675.00**	198,771,691.00
Outsourced Manpower Charges	**184,220,923.00**	134,279,774.00
Travel Expenses	**81,704,064.00**	108,407,832.00
	1,547,591,968.00	1,734,131,714.00

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING MARCH 31,2018

15. Related Party Transaction

The Company had carried out the following related party transactions during the year:

Particular	Amount (MMK)
YEAR END BALANCES	
GTL Singapore Pte Ltd.	
Services & Materials	**4,806,224,790.00**

16. Authorization of Financial Statements

The financial statements of the entity for the year ended March 31, 2018 were authorized for issue on April 26, 2018.

NOTES

GTL Limited

“Global Vision”,
Electronic Sadan–II, MIDC, TTC Industrial Area,
Mahape, Navi Mumbai – 400 710, Maharashtra, India.
Tel: +91 22 2761 2929 I Fax: +91 22 2768 9990
CIN No. : L40300MH1987PLC045657

www.gtllimited.com