GLOBAL Group Enterprise

Network Planning & Design

Managed Services Network Rollout

Benchmarking & Optimization

Consulting Solution Professional Services

Operation & Maintenance

Network Planning & Design

Site Acquisition Services Network Rollout

Benchmarking & Optimization Energy Management

Operation & Maintenance Managed Services

GTL

28th ANNUAL REPORT 2015-16

(Subsidiaries Report)

CONTENTS

DIRECTOR'S REPORT

To
The Members,

Your Directors submit their Twelfth Annual Report together with the Audited Financial Statements for the year ended March 31, 2016.

1. STATE OF COMPANY'S AFFAIRS

Financial Highlights:

(Amount in ₹)

Particulars	2015–16	2014–15
Total Income	**NIL**	10,268,059
Profit / (Loss) Before Exceptional Items & Tax	**(30,22,288)**	(220,887,550)
Exceptional Item	**0**	0
Profit/(loss) before tax	**(30,22,288)**	(220,887,550)
Tax Expenses		
Current Tax	**0**	1,210,000
Deferred Tax	**0**	0
Net Profit / (Loss)	**(30,22,288)**	(222,097,550)

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 and OEMs either directly or through its Holding Company – GTL Limited. Due to recessionary condition in telecom industry and dearth of adequate business opportunity in the market, the Company is contemplating to undertake some new/additional business. Resultantly, during the year under review, the Company has posted income of ₹ Nil as against ₹ 10,268,059 in the previous year and Net Loss of ₹ 30, 22, 288 against the Net loss of ₹ 222,097,550 for the previous year.

3. DIVIDEND

In view of losses during the year, your Directors do not recommend any dividend on equity shares on the paid up Equity Share Capital of the Company for the financial Year ended March 31, 2016.

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, 2016.

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

During the year, Mr. Bhavin Sheth (DIN: 06701332) has tendered his resignation from the Board due to pre–occupation. The Board places on record their deep appreciation and respect for the valuable advice and guidance received from him during his tenure as Director of the Company.

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, 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.

e. they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. 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 2015–16 on April 30, 2015, July 14, 2015, September 22, 2015, December 16, 2015 and March 18, 2016. The intervening gap between any two meetings was within the period prescribed under the Act.

9. AUDITORS AND AUDITORS' 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 Statutory Auditor at the 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 year 2019, subject to ratification of their appointment at every AGM. The Company has received the necessary certificates 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 Statutory Auditor of the Company have 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

The Company has not granted any loans, issued guarantees and made any investments.

11. PARTICULARS OF RELATED PARTY TRANSACTIONS

The particulars as required under the Act are furnished in **Annexure A** (Form AOC – 2) to this Report.

12. EXTRACT OF ANNUAL RETURN AS ON MARCH 31, 2016

In terms of provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return as on March 31, 2016 in Form MGT – 9 is annexed as **Annexure B** 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 POSITIONS 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 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) following information may be furnished.	:	
a. the details of technology imported	:	
b. the year of import	:	
c. whether the technology been fully absorbed?	:	
d. if not fully absorbed, the 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 co–operation 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 Prabhakar Bengali	**Laxmikant Yeshwant Desai**
Director	Director

Mumbai
April 19, 2016

Annexure A 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 Prabhakar Bengali	**Laxmikant Yeshwant Desai**
Director	Director

Mumbai
April 19, 2016

Annexure B to Directors' Report

FORM NO. MGT – 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on March 31, 2016

[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:

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**	Company Limited by share
v)	**Address of the Registered office and contact details**	GLOBAL VISION, ELECTRONIC SADAN NO. – II, MIDC, TTC INDUSTRIAL AREA, MAHAPE NAVI MUMBAI – 400710 Maharashtra
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 are:–

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. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

As the entire Share Capital (100%) of the Company is 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)				
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 the year ended March 31, 2016.

INDEPENDENT AUDITOR'S REPORT

To the Members of **ADA Cellworks Wireless Engineering Private Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of ADA Cellworks Wireless Engineering Private Limited ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 and presentation of these 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31 March 2016 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

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

   (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) the balance sheet, 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 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 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) 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:

      (i) The Company does not have any pending litigations which would impact its financial position;

      (ii) The Company did not have any long–term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;

      (iii) There has not been an 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: 19th April 2016

Annexure – A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:

(i) (a) The Company does not have any Fixed Asset , so it does not need to maintain proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not any immovable properties in the name of the company.

(ii) The Company is a service company. Accordingly, it does not hold any physical inventories.Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted loans to bodies corporate secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

(iv) 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.

(v) The Company has not accepted any deposits from the public.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (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 2016 for a period of more than six months from the date they became payable.

(viii) 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.

(ix) 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.

(x) 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.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) 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.

(xiii) 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 financial statements as required by the applicable accounting standards.

(xiv) 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.

(xv) 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.

(xvi) 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: 19th April 2016

BALANCE SHEET AS AT MARCH 31, 2016

	Note	As At March 31, 2016 ₹	As At March 31, 2015 ₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	**900,000**	900,000
Reserves and Surplus	3	**12,521,490**	15,543,777
		13,421,490	16,443,777
Current Liabilities			
Trade Payables	4	**NIL**	NIL
Other Current Liabilities	5	**299,525**	334,270
Short–term Provisions	6	**2,905,604**	2,905,604
		3,205,129	3,239,874
TOTAL		**16,626,619**	19,683,651
ASSETS			
Non–current Assets			
Fixed Assets			
Tangible Assets	7	**NIL**	NIL
		NIL	NIL
Non–current Investments	8	**NIL**	NIL
Long–term Loans and Advances	9	**12,931,148**	12,931,147
		12,931,148	12,931,147
Current Assets			
Trade Receivables	10	**NIL**	2,206,123
Cash and Cash Equivalents	11	**2,897,312**	2,897,312
Short–term Loans and Advances	12	**798,160**	1,649,070
		3,695,472	6,752,504
TOTAL		**16,626,619**	19,683,651
Notes (Including Significant Accounting Policies) forming Part of the Financial Statements	1–22		

As per our report of even date attached

For **V.NAIR & ASSOCIATES**
Chartered Accountants
Firm Registration No. 106835W

VENUGOPAL NAIR
Proprietor
Membership No. 39445

Place : Mumbai

Date : April 19, 2016

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

Milind Prabhakar Bengali
Director

Laxmikant Yeshwant Desai
Director

Place : Mumbai

Date : April 19, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

	Note	**For the Year Ended March 31, 2016** ₹	For the Year Ended March 31, 2015 ₹
Other Income	13	**NIL**	10,268,059
Total Revenue		**NIL**	10,268,059
Expenses			
Financial Costs	14	**NIL**	414,496
Depreciation, Amortisation & Impairment Expense	7	**NIL**	6,968,103
Other Expenses	15	**3,022,288**	223,773,009
Total Expenses		**3,022,288**	231,155,609
Profit / (Loss) before Tax		**(3,022,288)**	(220,887,550)
Tax Expense			
Current Tax		**NIL**	1,210,000
Deferred Tax		**NIL**	NIL
		NIL	1,210,000
Profit / (Loss) for the Year		**(3,022,288)**	(222,097,550)
Earnings per equity share of ₹ 10 each			
Basic and diluted		**(33.58)**	(2,467.75)
Notes (Including Significant Accounting Policies) forming Part of the Financial Statements	1–22		

As per our report of even date attached

For **V.NAIR & ASSOCIATES**
Chartered Accountants
Firm Registration No. 106835W

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

VENUGOPAL NAIR
Proprietor
Membership No. 39445

Milind Prabhakar Bengali
Director

Laxmikant Yeshwant Desai
Director

Place : Mumbai

Date : April 19, 2016

Place : Mumbai

Date : April 19, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

		March 31, 2016 ₹	March 31, 2016 ₹	March 31, 2015 ₹
A	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit for the year		**(3,022,288)**	(220,887,550)
	Adjustments for:			
	Depreciation, Amortisation & Impairment	**NIL**		6,968,103
	Interest paid	**NIL**		414,496
	Creditors / Other Written Back	**NIL**		(10,268,059)
	Provision for Advances	**NIL**		149,500,000
	Provision for Trade Receivable	**2,206,123**		70,955,966
			2,206,123	217,570,506
	Operating Profit before working capital changes		**(816,165)**	(3,317,044)
	Adjustments for increase / decrease in:			
	Trade Payables	**NIL**		415,641
	Other current Liabilities	**(34,745)**		(2,614,084)
	Short–term provisions	**NIL**		1,210,000
	Trade Rceivables	**NIL**		102,658
	Long–term Loans and Advances	**NIL**		1,349,635
	Short–term Loans and Advances	**850,910**		2,457,399
			816,165	2,921,248
	Cash generated / (used) from operations		**NIL**	(395,796)
	Add: Income Tax (including Fringe Benefit Tax) refund / (paid)		**NIL**	973,892
	Net cash generated / (used) from operating activities			(1,369,688)
B	**CASH FLOW FROM INVESTING ACTIVITIES**		**NIL**	NIL
C	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Interest paid	**NIL**		(414,496)
	Net cash from financing activities		**NIL**	(414,496)
			NIL	(1,784,183)
	Net increase / (Decrease) in Cash and Cash Equivalents		**NIL**	(1,784,183)
	Cash and cash equivalents at the beginning of the year		**2,897,312**	4,681,495
	Cash and cash equivalents at the end of the year		**2,897,312**	2,897,312

Notes:

1. The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard–3
2. Cash and cash equivalent includes cash and bank balances.

As per our report of even date attached

For **V.NAIR & ASSOCIATES**
Chartered Accountants
Firm Registration No. 106835W

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

VENUGOPAL NAIR
Proprietor
Membership No. 39445

Milind Prabhakar Bengali
Director

Laxmikant Yeshwant Desai
Director

Place : Mumbai

Date : April 19, 2016

Place : Mumbai

Date : April 19, 2016

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Significant Accounting Policies

1.1 Basis of Preparation

The accounts have been prepared on the basis of going concern under historical cost convention as also on accrual basis and in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, which have been prescribed by the Companies (Accounting Standards) Rules, 2006, (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the Companies Act, 1956 / Companies Act, 2013 as applicable.

1.2 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires Management to make estimates and assumptions to be made that affect the reported amounts of revenues and expenses during the reporting period, the reported amounts of assets and liabilities and the disclosures relating to the contingent liabilities on the date of the financial statements. Examples of such estimates include useful lives of Fixed Assets, provision for doubtful debts/advances, deferred tax etc. Actual results could differ from those estimates. Such difference is recognised in the period/s in which the results are known / materialised.

1.3 Fixed Assets

a. Fixed assets are carried at cost of acquisition less accumulated depreciation.

b. The cost of fixed assets comprises the purchase price (net of rebates and discounts) and any other directly attributable costs of bringing the assets to their working condition for their intended use.

c. Borrowing costs directly attributable to the acquisition of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

1.4 Depreciation

a. Depreciation on fixed assets is provided using the straight–line method over the useful life of the assets estimated by the management. The rates of depreciation prescribed in Schedule II to the Companies Act, 2013 are considered as minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review, is shorter than that envisaged in the aforesaid Schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life / remaining useful life. Pursuant to this policy, depreciation on fixed assets has been provided at the rates based on the useful lives of fixed assets as estimated by management.

Asset	Economic Useful Life (Years)
Tool Kits	8 – 10
Furniture and Fixtures	8 – 10
Office Equipment	3 – 5
Computers	3 – 5
Leasehold Improvements	33.00% or the balance of primary period of lease

b. Depreciation is calculated on a pro–rata basis from / upto the date the assets are put to use / sold. Individual assets costing less than ₹ 5,000 are fully depreciated in the year of purchase.

1.5 Valuation of Investments

a. i. Long–term Investments are stated at cost; where there is a decline, other than temporary, the resultant reduction in carrying amount is charged to the profit and loss account.

ii. Investments are capitalised at cost plus expenses by applying specific identification method.

b. Current investments are valued at the Lower of Cost and Fair Value.

However, at the year end, the Company did not have any Current Investments.

1.6 Valuation of Inventories

Work–in–progress, if any, is taken at related contract cost of work, pending certificate, unless there is any indication of loss which is to be provided.

1.7 Employee Benefits

a. Defined Contribution Plan

Contribution as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 towards Provident Fund and Family Pension Fund are provided for and payments in respect thereof are made to the relevant authorities on actual basis. Such contributions are recognised as an expense in the Profit and Loss Account as incurred.

b. Defined Benefit Plan

Gratuity – In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. Liability with regard to Gratuity Plan is accrued based on actuarial valuation, carried out by an independent actuary. Actuarial gain or loss is recognized immediately in the statement of profit and loss as income or expense.

Compensated Absences – The Company provides for the encashment of absence or absence with pay based on policy of the Company in this regard. The employees are entitled to accumulate such absences subject to certain limits, for the future encashment or absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the Balance Sheet date on the basis of an independent actuarial valuation.

However, at the year end, the Company did not have any employee.

1.8 Foreign Currency Transactions

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange difference arising on foreign currency transactions settled during the year are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, are translated at the closing exchange rate on that date. The resultant exchange differences are recognised in the statement of profit and loss.

1.9 Taxation

Current Tax

Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year.

Deferred Tax

a. Deferred tax charge or benefit reflects the tax effects of timing differences between accounting income and taxable income, which originate during the year but reverse in subsequent years.

b. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date.

c. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets.

d. Deferred tax assets are reviewed at each balance sheet date and written–down or written–up to reflect the amount that is reasonably / virtually certain to be realized.

e. The break–up of the deferred tax assets and liabilities as at the balance sheet date has been arrived at after setting–off deferred tax assets and liabilities where the Company has a legally enforceable right and an intention to set–off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

1.10 Revenue Recognition

Revenue from services rendered is recognized in the Profit and Loss Account in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to the Work Certified by the Company's Customer. The contract costs corresponding to the work certified are taken to the Profit and Loss Account, whereas the contract costs which are incurred but the work is yet to be certified by the Company's Customers are recognized as an asset in the Balance Sheet and classified as Work In Progress. However, at the year end, there was no contract cost incurred by the Company for which work is yet to be certified.

Revenue recognized over and above the billings on the customer is classified as Unbilled Revenue.

1.11 Borrowing Costs

a. Borrowing costs, less any income on the temporary investment out of those borrowings, which are attributable to acquisition, construction or production of a qualifying asset, are capitalized as a part of the cost of that asset.

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

1.12 Impairment of Assets

If internal / external indications suggest that as asset of the Company may be impaired, the recoverable amount of asset / cash generating unit is determined on the Balance Sheet date and if it is less than its carrying amount, the carrying amount of asset / cash generating unit is reduced to the said recoverable amount. Subsequently, if there is any change in the indication, since the last impairment was recognised, so that recoverable amount of an asset exceeds its carrying amount and impairment recognised for an asset in prior accounting period is reversed. The recoverable amount is measured as the higher of the net selling price and the value in use of such assets / cash generating unit, which is determined by the present value of the estimated future cash flows.

1.13 Provisions and Contingencies

a. A provision is recognised when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management best estimates of the expenditure required to settle the obligation as at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate of each such obligation.

b. A contingent liability is disclosed when there is a possible or present obligation that may, but probably will not require an outflow of resources, unless the possibility of such outflow is remote.

c. Contingent Assets are neither recognised nor disclosed.

1.14 Leases

The Company leases office facilities under cancellable as well as non–cancellable operating lease agreements. Total rental expense under these leases is disclosed as rent in the Profit and Loss Account.

1.15 Earnings per Share

The basic earnings per share ('EPS') is computed by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

2 Share Capital

	As At March 31, 2016 ₹	As At March 31, 2015 ₹
Authorised		
250,000 (250,000) Equity Shares of ₹ 10 par value	**2,500,000**	2,500,000
Issued, Subscribed and paid up		
90,000 (90,000) Equity Shares fully paid up of ₹ 10 par value	**900,000**	900,000
	900,000	900,000

2.1 Reconciliation of the number of shares outstanding and amount of share capital

	As At March 31, 2016		As At March 31, 2015	
	Numbers	₹	Numbers	₹
Number of shares at the beginning	**90,000**	**900,000**	90,000	900,000
Add: Shares issued during the year	**NIL**	**NIL**	NIL	NIL
Number of shares at the end	**90,000**	**900,000**	90,000	900,000

2.2 Rights, preferences and restrictions

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, 2016.

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.

iv. 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.

2.3 Details of shares held by shareholders holding more than 5 % of the aggregate equity shares in the Company and equity shares held by the Holding Company, etc.

Name of the Shareholders	As At March 31, 2016		As At March 31, 2015	
	Numbers of shares Held	% Held	Numbers of shares Held	% Held
GTL Limited, the Holding Company	**90,000**	**100%**	90,000	100%

3 Reserves and Surplus

		As At March 31, 2016 ₹	As At March 31, 2015 ₹
Securities Premium Account		**42,200,000**	42,200,000
Surplus			
As per last Balance Sheet	**(26,656,223)**		195,441,327
Add: Net Profit / (Net Loss) after Tax transferred from the Statement of Profit and Loss	**(3,022,288)**		(222,097,550)
		(29,678,510)	(26,656,223)
		12,521,490	15,543,777

4 Trade Payables

	As At March 31, 2016 ₹	As At March 31, 2015 ₹
Micro Enterprise and Small Enterprise (Refer Note 4.1)	NIL	NIL
Due to Related Parties (Refer Note 19)	NIL	NIL
	–	–

4.1 Disclosure in accordance with Sec 22 of Micro, Small and Medium Enterprises Development Act, 2006:

Principal Amount remaining unpaid and interest due thereon	NIL	NIL
Interest paid in terms of Section 16	NIL	NIL
Interest due and payable for the year of delay in payment	NIL	NIL
Interest accrued and remaining unpaid	NIL	NIL
Interest due and payable even in succeeding years	NIL	NIL
	NIL	NIL

5 Other Current Liabilities

	As At March 31, 2016 ₹	As At March 31, 2015 ₹
Other Payables	299,525	334,270
	299,525	334,270

6 Short–term Provisions

		As At March 31, 2016 ₹	As At March 31, 2015 ₹
Provision for tax (Net)	2,905,604		2,905,604
Less: Taxes Paid	NIL		NIL
		2,905,604	2,905,604
		2,905,604	2,905,604

7 Fixed Assets

Amounts in ₹

DESCRIPTION	GROSS BLOCK				DEPRECIATION				IMPAIRMENT	NET BLOCK	
	As At April 01, 2015	Additions	Deduction and/ or adjustment	As At March 31, 2016	Upto March 31, 2015	For the year	Sale / Adjustments	Upto March 31, 2016	Upto March 31, 2016	As At March 31, 2016	As At March 31, 2015
Tangible Assets:											
Leasehold Improvements	7,083,957	NIL	NIL	**7,083,957**	7,083,957	NIL	NIL	7,083,957	**NIL**	**NIL**	NIL
	(7,083,957)	NIL	NIL	**(7,083,957)**	(7,083,957)	NIL	NIL	(7,083,957)	**(NIL)**	**NIL**	NIL
Furniture and Fittings	568,613	NIL	NIL	**568,613**	568,613	NIL	NIL	568,613	**NIL**	**NIL**	NIL
	(568,613)	NIL	NIL	**(568,613)**	(568,613)	NIL	NIL	(568,613)	**(32,297)**	**NIL**	(32,297)
Office Equipments	4,910,578	NIL	NIL	**4,910,578**	4,910,578	NIL	NIL	4,910,578	**NIL**	**NIL**	NIL
	(4,910,578)	NIL	NIL	**(4,910,578)**	(4,910,578)	NIL	NIL	(4,910,578)	**(1,489,281)**	**NIL**	(1,489,281)
Computers	38,435,860	NIL	NIL	**38,435,860**	38,435,860	NIL	NIL	38,435,860	**NIL**	**NIL**	NIL
	(38,435,860)	NIL	NIL	**(38,435,860)**	(38,435,860)	NIL	NIL	(38,435,860)	**(124,314)**	**NIL**	(124,314)
Project Equipment/Tool Kits	16,071,515	NIL	NIL	**16,071,515**	16,071,515	NIL	NIL	16,071,515	**NIL**	**NIL**	NIL
	(16,071,515)	NIL	NIL	**(16,071,515)**	(16,071,515)	NIL	NIL	(16,071,515)	**(5,322,211)**	**NIL**	(5,322,211)
Current Year	67,070,523	NIL	NIL	**67,070,523**	67,070,523	NIL	NIL	67,070,523	**NIL**	**NIL**	NIL
Previous Year	67,070,523	NIL	NIL	**67,070,523**	60,102,420	NIL	NIL	60,102,420	**6,968,103**	**NIL**	

Impairement of Assets:

The Company, during the last financial year has carried out an annual exercise of identifying assets that may have been impaired in accordance with the Accounting Standard (AS) 28 Impairement of Assets. Considering the continued unfavorable telecom environment prevailing in the country and consequential severally effecting network planning and designing activity, the management has considered the Project related equipments, Tool Kits, alongwith Office Equipments, Computers, Leasehold improvements and Furniture & Fixtures as impaired. Accordingly, an impairement of ₹ Nil (Rs. 6,968,103) has been charged to the statement of Profit & Loss.

8 Non–current Investments

			As At March 31, 2016 ₹	As At March 31, 2015 ₹
Long–term investments – valued at cost less provision for other than temporary diminution				
Other than trade				
In Others				
Unquoted				
Investments in Corpxcel Advisory LLP		**500,000**		500,000
Less: Provision for Diminution in Value of Investment		**(500,000)**		(500,000)
			NIL	NIL
			NIL	NIL

	Cost ₹	Market Value ₹	Cost ₹	Market Value ₹
Aggregate amount of Unquoted Invenstments	500,000	Not Applicable	500,000	Not Applicable
Aggregate provision for Diminution in Value of Investment	(500,000)	Not Applicable	500,000	Not Applicable

9 Long–term Loans and Advances

		As At March 31, 2016 ₹	As At March 31, 2015 ₹
Unsecured, Considered Good			
Security Deposits		**25,000**	25,000
Other Loans and Advances			
Taxes Paid (including fringe benefit tax)	**24,371,783**		24,371,783
Less: Provision for Taxes	**11,465,636**		11,465,636
		12,906,148	12,906,147
		12,931,148	12,931,147

10 Trade Receivables

	As At March 31, 2016 ₹	As At March 31, 2015 ₹
Trade Receivables		
Outstanding for a period exceeding six months		
(From the due date of payment)		
Considered good	**–**	2,206,123
Considered doubtful	**73,162,089**	70,955,966
Less: Allowance for Doubtful Trade Receivables	**(73,162,089)**	(70,955,966)
Subtotal	**NIL**	2,206,123
	NIL	2,206,123

11 Cash And Cash Equivalents

	As At March 31, 2016 ₹	As At March 31, 2015 ₹
Cash & Cash Equivalents		
Balances with Banks		
In Current Accounts	**2,897,312**	2,897,312
	2,897,312	2,897,312

12 Short–term Loans and Advances

	As At March 31, 2016 ₹	As At March 31, 2015 ₹
Unsecured, Considered Good		
Advances receivable In cash or kind for the value to be received		
Advance to Suppliers (Refer Note 12.1)		
Considered good	**798,160**	1,649,070
Considered doubtful	**149,500,000**	149,500,000
Less: Allowance for Doubtful Advance to Suppliers	**(149,500,000)**	(149,500,000)
	798,160	1,649,070

12.1 Advance to Suppliers includes Receivables from GTL Limited, a related party, Rs. 798,160

13 Other Income

	As At March 31, 2016 ₹	As At March 31, 2015 ₹
Write Back – Trade Payable	**NIL**	10,268,059
	NIL	10,268,059

14 Finance Costs

	As At March 31, 2016 ₹	As At March 31, 2015 ₹
Bank Charges	**NIL**	414,496
	NIL	414,496

15 Other Expenses

	As At March 31, 2016 ₹	As At March 31, 2015 ₹
Repairs and Maintenance	**NIL**	5,000
Professional Fees	**462,808**	531,850
Auditors' Remuneration	**125,000**	250,000
Provision for Trade Receivable	**2,206,123**	70,955,966
Provision for Advances	**NIL**	149,500,000
Balances write off	**NIL**	104,196
Miscellaneous Expenses	**228,357**	2,425,997
	3,022,288	223,773,009

16 Contingent Liabilities and Commitments

	As At March 31, 2016 ₹	As At March 31, 2015 ₹
Claims against the Company, not acknowledged as debts		
Income tax matters under appeal		
Assessment Year 2010–11	**1,098,340**	1,098,340
Service tax matter under appeal		
Accounting Year 2006–07 to 2008–09	**392,470**	392,470
Accounting Year 2009–10	**886,694**	886,694
	2,377,504	2,377,504

17 **Employee Benefits**

Disclosure as per Accounting Standard on "Employee Benefits" (AS 15):

Particulars	As At March 31, 2016	As At March 31, 2015	As At March 31, 2016	As At March 31, 2015
	Gratuity (Funded)		Compensated Absences (Unfunded)	
	₹	₹	₹	₹
Reconciliation of opening and closing balances of the present value of the defined benefit obligation				
Obligation at year beginning	**NIL**	NIL	**NIL**	NIL
Current service cost	**NIL**	NIL	**NIL**	NIL
Interest cost	**NIL**	NIL	**NIL**	NIL
Past Service Cost	**NIL**	NIL	**NIL**	NIL
Actuarial (gain) / loss	**NIL**	NIL	**NIL**	NIL
Benefits paid	**NIL**	NIL	**NIL**	NIL
Obligations at the year end				
Change in plan assets	**Not Applicable**	Not Applicable	**Not Applicable**	Not Applicable
Plan assets at year beginning, at fair value	**NIL**	NIL	**NIL**	NIL
Expected return on plan assets	**NIL**	NIL	**NIL**	NIL
Actuarial gain / (loss)	**NIL**	NIL	**NIL**	NIL
Contributions	**NIL**	NIL	**NIL**	NIL
Benefits paid	**NIL**	NIL	**NIL**	NIL
Plan assets at the year end, at fair value				
Reconciliations of present value of the obligation and the fair value of plan assets	**NIL**	NIL	**NIL**	NIL
Present value of the defined benefit obligations at the end of the year	**NIL**	NIL	**NIL**	NIL
Liability/(Asset) recognised in the Balance Sheet				
Cost for the year				
Current Service cost	**NIL**	NIL	**NIL**	NIL
Interest cost	**NIL**	NIL	**NIL**	NIL
Expected return on plan assets	**NIL**	NIL	**NIL**	NIL
Actuarial (gain)/loss	**NIL**	NIL	**NIL**	NIL
Net Cost recognised in the Profit and Loss Account				
Assumptions used to determine the benefit obligations :				
Interest rate	**NIL**	NIL	**NIL**	NIL
Estimated rate of return on plan assets	**NIL**	NIL	**NIL**	NIL
Expected rate of increase in salary				
First five years	**NIL**	NIL	**NIL**	NIL
Thereafter	**NIL**	NIL	**NIL**	NIL
Actual return on plan assets				

18 **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.

19 **Related Party Disclosures**

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

20 **Earnings per share as per Accounting Standard 20 on "Earnings per Share"**

	As At March 31, 2016 ₹	As At March 31, 2015 ₹
Profit for the year (₹) (A)	**(3,022,288)**	(222,097,550)
Number of shares:		
At the beginning of the year	**90,000**	90,000
At the end of the year	**90,000**	90,000
Weighted Average Number of Equity Shares (B)	**90,000**	90,000
Earnings per Share – Basic (₹) (A/B)	**(33.58)**	(2,467.75)
Earnings per Share – Diluted (₹) (A/B)	**(33.58)**	(2,467.75)
Nominal Value of an Equity Share (₹)	**10**	10

21 GTL Limited, the Holding Company, at its Board Meeting held on April 20, 2010, proposed to merge the Company into its fold. However, no action has so far been taken in this direction by the Holding Company and during the year, the Company has carried on its activities in a regular manner and accordingly, the accounts of the Company have been prepared on a going concern basis. Considering the fact that as and when the proposal to merge the Company with its Holding Company is taken up, the Company at least would be able to realise its assets and discharge its liabilities in the normal course of business and there may not be any need to make adjustment relating to the recoverability and classification of asset amount or amounts and classification of liabilities.

22 The previous year's figures, wherever necessary, reclassified and recast, to conform to the current year's classification.

For **V.NAIR & ASSOCIATES**
Chartered Accountants
Firm Registration No. 106835W

VENUGOPAL NAIR
Proprietor
Membership No. 39445

Place : Mumbai
Date : April 19, 2016

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

Milind Prabhakar Bengali
Director

Laxmikant Yeshwant Desai
Director

Place : Mumbai
Date : April 19, 2016

COMMENTARY OF THE DIRECTORS

The directors present the audited financial statements of INTERNATIONAL GLOBAL TELE–SYSTEMS LIMITED (the "Company") for the year ended 31 December 2015.

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' RESPONSIBILTIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

GOING CONCERN

The Company's activities have been curtailed significantly over a couple of years 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 however, in a position, to continue with its business operations. Accordingly, the financial statements have been prepared on a '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 TELE–SYSTEMS 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 2015, 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 4 to 8, and a summary of significant accounting policies and other explanatory information as set out on pages 9 to 27.

Directors' responsibilities for the financial statements

The 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 such internal control as they determine is necessary to enable the preparation of financial statements that are free from 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with management requirements as this is a special audit. We comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 2015 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 as the markets stabilize. 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 and the Company's shareholders as a body, for 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.

Sd/–
Priti Lakhpati

Accxperts Business Solutions Pte Ltd
Chartered Accountants

Date: 2 February 2016

Singapore

BALANCE SHEET AS AT 31ST DECEMBER, 2015

		As at 31st December 2015 USD	As at 31st December 2014 USD	As at 31st December 2015 INR	As at 31st December 2014 INR
I.	**EQUITY AND LIABILITIES**				
	SHAREHOLDER'S FUNDS				
	Share Capital	**71,762,615**	71,762,615	**4,766,831,701**	4,542,932,343
	Reserves and Surplus	**(133,257,701)**	24,726,671	**(8,851,642,789)**	1,565,321,908
		(61,495,086)	96,489,286	**(4,084,811,088)**	6,108,254,250
	NON–CURRENT LIABILITIES				
	Long–term borrowings	**–**	20,968,775	**–**	1,327,428,301
	Deferred tax liabilities (Net)	**–**	–	**–**	–
	Other Long term liabilities	**–**	–	**–**	–
	Long term provisions	**–**	–	**–**	–
		–	20,968,775	**–**	1,327,428,301
	CURRENT LIABILITIES				
	Short–term borrowings	**81,103,564**	62,305,463	**5,387,304,239**	3,944,247,335
	Trade payables (including Acceptances)	**–**	315,900	**–**	19,998,050
	Other current liabilities	**–**	–	**–**	–
	Short–term provisions	**16,876,872**	11,605,387	**1,121,046,223**	734,679,024
		97,980,436	74,226,750	**6,508,350,461**	4,698,924,409
	Total	**36,485,350**	191,684,811	**2,423,539,374**	12,134,606,960
	II.ASSETS				
	NON–CURRENT ASSETS				
	Fixed assets				
	Tangible assets	**–**	–	**–**	–
	Intangible assets	**–**	–	**–**	–
	Capital work–in–progress	**–**	10,180,000	**–**	644,444,900
		–	10,180,000	**–**	644,444,900
	Non–current investments	**–**	–	**–**	–
	Deferred tax assets (net)	**–**	–	**–**	–
	Long term loans and advances	**26,485,215**	100,177,633	**1,759,280,406**	6,341,745,057
	Other non–current assets	**–**	–	**–**	–
		26,485,215	100,177,633	**1,759,280,406**	6,341,745,057
	CURRENT ASSETS				
	Current investments	**–**	20,000,000	**–**	1,266,100,000
	Inventories	**–**	8,341,634	**–**	528,067,140
	Trade receivables	**–**	42,975,080	**–**	2,720,537,439
	Cash and cash equivalents	**135**	10,464	**8,967**	662,424
	Short–term loans and advances	**10,000,000**	10,000,000	**664,250,000**	633,050,000
	Other current assets	**–**	–	**–**	–
		10,000,135	81,327,178	**664,258,967**	5,148,417,003
	Total	**36,485,350**	191,684,811	**2,423,539,374**	12,134,606,960

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD

	1–Jan–15 to 31–Dec–15 USD	1–Jan–14 to 31–Dec–14 USD	**1–Jan–15 to 31–Dec–15 INR**	1–Jan–14 to 31–Dec–14 INR
Revenue from operations	**–**	–	**–**	–
Other Income	**2,621,628**	–	**172,065,893**	–
Total Revenue	**2,621,628**	–	**172,065,893**	–
Expenses:				
Cost of Purchases	**–**	–	**–**	–
Changes in inventories of finished goods, work–in–progress and Stock–in–Trade	**8,341,634**	2,100,000	**547,488,318**	129,047,333
Employee benefits expenses	**–**	–	**–**	–
Finance Costs	**5,271,485**	5,583,423	**345,984,546**	343,107,547
Depreciation and amortization expense	**–**	–	**–**	–
Other expenses	**146,992,881**	21,705,732	**9,647,616,424**	1,333,841,349
Total Expenses	**160,606,000**	29,389,155	**10,541,089,288**	1,805,996,229
Profit before exceptional and extraordinary items and tax	**(157,984,372)**	(29,389,155)	**(10,369,023,395)**	(1,805,996,229)
Exceptional Items	**–**	–	**–**	–
Profit before tax	**(157,984,372)**	(29,389,155)	**(10,369,023,395)**	(1,805,996,229)
Tax expense:				
Current tax	**–**	–	**–**	–
Deferred tax Liability / (Asset)	**–**	–	**–**	–
Profit / (Loss) from the period after Tax	**(157,984,372)**	(29,389,155)	**(10,369,023,395)**	(1,805,996,229)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	For the year ended 31 December 2015 USD	For the year ended 31 December 2014 USD	**For the year ended 31 December 2015 INR**	For the year ended 31 December 2014 INR
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before taxation	**(157,984,372)**	(29,389,155)	**(10,369,023,395)**	(1,805,996,229)
Adjustment for:				
Interest Income		–		–
Write back of balances	**(2,621,628)**		**(172,065,893)**	
Impairment loss	**155,297,323**	23,786,421	**10,192,663,711**	1,461,702,000
Operating loss before working capital changes	**(5,308,677)**	(5,602,735)	**(348,425,577)**	(344,294,230)
(Increase)/Decrease in trade and other receivables (net of write off)		(1,748,275)		(107,433,441)
Increase in trade and other payables	**5,271,485**	7,450,974	**345,984,546**	457,870,631
Net cash used in operating activities	**(37,192)**	99,964	**(2,441,031)**	6,142,960
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	**–**	–		–
Net cash from investing activities	**–**	–	**–**	–
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of Credit facility	**–**	–		–
Borrowings received / (repaid)	**–**	(100,000)		(6,145,111)
Funds received from related companies	**26,863**	–	**1,763,105**	–
Net cash from financing activities	**26,863**	(100,000)	**1,763,105**	(6,145,111)
Net decrease in cash and cash equivalents	**(10,329)**	(36)	**(677,926)**	(2,151)
Cash and cash equivalents at beginning of the year/period	**10,464**	10,500	**662,424**	644,018
Foreign exchange variation			**24,469**	20,557
Cash and cash equivalents at end of year/period	**135**	10,464	**8,967**	662,424

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Stated capital USD	**Retained earnings USD**	**Total equity USD**
At 1 January 2014	71,762,615	54,115,826	125,878,441
Total comprehensive loss for the year	–	(29,389,155)	(29,389,155)
At 31 December 2014	71,762,615	24,726,671	96,489,286
Total comprehensive loss for the year	–	(157,984,372)	(157,984,372)
At 31 December 2015	71,762,615	(133,257,701)	(61,495,086)

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2015

	As at 31st December 2015 USD	As at 31st December 2014 USD	**As at 31st December 2015 INR**	As at 31st December 2014 INR
Share Capital				
Authorised				
2,762,615 Ordinary Shares of US 1 each	**2,762,615**	2,762,615	**183,506,701**	174,887,343
69,000,000 Preference Shares of US 1 each	**69,000,000**	69,000,000	**4,583,325,000**	4,368,045,000
Issued, subscribed and paid up:				
2,762,615 Ordinary Shares of US 1 each	**2,762,615**	2,762,615	**183,506,701**	174,887,343
69,000,000 Preference Shares of US 1 each	**69,000,000**	69,000,000	**4,583,325,000**	4,368,045,000
Total	**71,762,615**	71,762,615	**4,766,831,701**	4,542,932,343
Reserves and Surplus				
General Reserve				
Opening balance	**–**	–	**–**	–
Add: Transferred from Profit & Loss Account	**–**	–		
Closing Balance	**–**	–	**–**	–
Translation Reserve	**–**	–	**6,602,654**	54,543,956
Profit & Loss Account :				
Surplus – Opening Balance	**24,726,671**	54,115,826	**1,510,777,952**	3,316,774,181
Add : Net profit after tax transferred from Statement of Profit and L	**(157,984,372)**	(29,389,155)	**(10,369,023,395)**	(1,805,996,229)
Amount available for appropriation	**(133,257,701)**	24,726,671	**(8,858,245,443)**	1,510,777,952
Appropriation :				
Transfer to Debenture Redemption Reserve	**–**	–	**–**	–
Surplus – Closing Balance	**(133,257,701)**	24,726,671	**(8,858,245,443)**	1,510,777,952
Total	**(133,257,701)**	24,726,671	**(8,851,642,789)**	1,565,321,908
Long Term Borrowings				
Term Loans :				
From Banks	**–**	20,968,775	**–**	1,327,428,301
Total of Secured Loan	**–**	20,968,775	**–**	1,327,428,301
Total of Long Term Borrowings	**–**	20,968,775	**–**	1,327,428,301
Short Term Borrowings				
Secured / Unsecured				
From Banks – credit facility	**25,940,050**	25,940,050	**1,723,067,821**	1,642,134,865
From Banks – borrowings	**20,968,775**		**1,392,850,879**	
Due to related parties	**34,194,739**	36,365,413	**2,271,385,538**	2,302,112,470
Total	**81,103,564**	62,305,463	**5,387,304,239**	3,944,247,335
Trade Payables				
Trade Payables	**–**	315,900	**–**	19,998,050
Total	**–**	315,900	**–**	19,998,050

	As at 31st December 2015 USD	As at 31st December 2014 USD	As at 31st December 2015 INR	As at 31st December 2014 INR
Other Current Liabilities				
Interest accrued and due on borrowings	**16,871,872**	11,600,387	**1,120,714,098**	734,362,499
Provision for Expenses	**5,000**	5,000	**332,125**	316,525
Total	**16,876,872**	11,605,387	**1,121,046,223**	734,679,024
Non current Investments				
Non Current Investments	**20,000,000**	20,000,000	**1,328,500,000**	1,266,100,000
Less: Provision for diminution in value	**(20,000,000)**		**(1,328,500,000)**	
Total	**–**	20,000,000	**–**	1,266,100,000
Long term loans and advances				
Other Loans & Advances (net of provision)	**26,485,215**	100,177,633	**1,759,280,406**	6,341,745,057
Total	**26,485,215**	100,177,633	**1,759,280,406**	6,341,745,057
Inventories				
Inventories : (at lower of cost and net realizable value)				
Finished Goods	**–**	8,341,634	**–**	528,067,140
Total	**–**	8,341,634	**–**	528,067,140
Trade Receivables				
Debts outstanding for a period exceeding six months				
Unsecured				
Considered good	**–**	42,975,080	**–**	2,720,537,439
Considered doubtful	**42,975,080**	12,486,593	**2,854,619,689**	790,463,770
	42,975,080	55,461,673	**2,854,619,689**	3,511,001,209
Less: Provision for doubtful debts	**42,975,080**	12,486,593	**2,854,619,689**	790,463,770
	–	42,975,080	**–**	2,720,537,439
Other debts				
Total	**–**	42,975,080	**–**	2,720,537,439
Cash and cash equivalents				
Balances with Banks				
Balance in current account with a Non–Scheduled Bank	**135**	10,464	**8,967**	662,424
Total	**135**	10,464	**8,967**	662,424
Short Term Loans and Advances				
Advance Towards Preference Share Application Money	**10,000,000**	10,000,000	**664,250,000**	633,050,000
Total	**10,000,000**	10,000,000	**664,250,000**	633,050,000
Other Income				
Credit balances written back	**2,621,628**		**172,065,893**	–
Total	**2,621,628**	–	**172,065,893**	–

	As at 31st December 2015 USD	As at 31st December 2014 USD	As at 31st December 2015 INR	As at 31st December 2014 INR
Changes in inventories of finished goods, work–in–progress and Stock–in– trade				
Decrease / (Increase) in Inventory				
Finished Goods	**8,341,634**	2,100,000	**547,488,318**	129,047,333
Total	**8,341,634**	2,100,000	**547,488,318**	129,047,333
Finance Costs				
Interest Expense				
Interest on Borrowings	**5,271,485**	5,583,423	**345,984,546**	343,107,547
Total	**5,271,485**	5,583,423	**345,984,546**	343,107,547
Other Expenses				
Legal and Professional Fees	**21,763**	14,176	**1,428,376**	871,131
Auditor's Remuneration	**5,000**	5,000	**328,166**	307,256
Provision for Doubtful Debts	**42,975,080**	12,486,593	**2,820,592,976**	767,315,014
Provision for Advances	**83,980,610**	9,199,828	**5,511,918,038**	565,339,643
Provision for diminution in value of investments	**20,000,000**	–	**1,312,664,444**	–
Other Expenses	**10,428**	135	**684,423**	8,306
Total	**146,992,881**	21,705,732	**9,647,616,424**	1,333,841,349

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the assumption that since the Company has been in the service industry since its inception, it would be in a position to continue with its business operations. It is therefore found appropriate for the financial statements to be prepared 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 2014. 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 such that items of other comprehensive income are grouped into two categories (a) items that will not be reclassified subsequently to profit or loss when specific condition are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

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.

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 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.

IFRS 12. 'Disclosures of interest other entities'

IFRS 12, 'Disclosures of interests in other entities includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles, the amendment does not result in any significant effect to the Company's financial statements during the year.

IFRS 13, 'Fair value Measurement'

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirement for the use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.

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

IFRS 9 Financial Instruments

IFRS 9, issued in November, 2009, introduced new requirements for the classification and measurement of financial assets.

IFRS 9 was amended in October, 2010 to include requirement for the classification and measurement of financial liabilities and for derecognition.

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.

(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 during the current year.

(v) Advances and deposits

The Company made advance payments / deposits to its suppliers for procurement of material. The downturn in telecom industry has substantially affected business operations and therefore took conscious decision for not procuring material against the said advances. The suppliers also made claims against the Company for losses incurred by them for not procuring material as per the contracts. The Company and suppliers had a series of meetings for arriving at an amicable solution to resolve the dispute. Under the current circumstances, the Company has done a fair value of the said advances based on expected realization and accordingly as a conservative accounting practice, a provision has been made in the books.

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. Deposits

Deposits represent advance made by the Company to suppliers of capital and telecom assets. The suppliers to whom the advances were given had spent the money on procurement of the material, labour etc for these assets but the Company has decided not to buy the assets due to slowdown in telecom industry. The suppliers are now demanding compensation for the losses incurred by them. In view of the situation developed, the amount of USD 10,180,000 has been fully impaired considering the uncertainty in recovery.

7. Investment at fair values

The Investment represents investment in redeemable preference shares made by the Company in City Windsor Limited, a company incorporated under the laws of British Virgin Islands and which are redeemable at the option of the Company.

	2015 USD	2014 USD
Redeemable preference shares	**–**	20,000,000

Fair value hierarchy

The financial instruments are measured in the statement of financial position at fair value. IFRS 13 requires disclosure of fair value measurements by levels of the following fair value measurement hierarchy.

Level 1: this category is used when quoted market price which is available in active markets for identical assets as of the reporting date are used to fair value quoted investments.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from Price) and used to fair value unquoted investments.

Level 3: this classification is used for unlisted securities where inputs for the asset that are not based on observable market data are used.

	2015 USD	2014 USD
Available–for–Sale investment		
Level 1		
Level 2	–	–
Level 3	–	20,000,000
	–	20,000,000

The investment is in an unquoted company, which is inoperative and also there is currently no active market for the said investment and hence fair value is considered NIL. This diminution in the value of investment is considered during the current year.

8. Share application monies

The Company had invested USD 10,000,000 (2014: USD 10,000,000) which represents application money towards preference shares of Global Infrastructure Services Ltd, a company incorporated in the British Virgin Islands for which no allotment has been made by the latter company as of the reporting date.

9. Inventories

Inventories comprise mainly of telecommunication products which are held for sale by the Company and which are stated at net realizable value which is now NIL as there is no saleable value for it in the market.

10. Trade and other receivables

	2015 USD	2014 USD
Trade debtors	–	42,000,080
Dividend receivable	–	975,000
	–	42,975,080

The amounts owed by the trade debtors have been outstanding for a long period. As the recovery from the debtors is doubtful the balances have been impaired fully by US$ 42,000,080 (2014: USD 12,486,593) against trade receivables and against other receivables of USD 975,000 (2014: Nil)

The ageing analysis of receivables is as follows;

	2015 USD	2014 USD
Due for more than 1 year	–	42,000,080

11. Advances on project

	2015 USD	2014 USD
Advances on project	26,485,215	100,177,633

The Company made advance payments to its suppliers for procurement of material. The downturn in telecom industry has substantially affected business operations and therefore the Company took a conscious decision for not procuring material against the said advances. The suppliers also made claims against the Company for losses incurred by them for not procuring material as per the contracts. The Company and the suppliers had a series of meetings for arriving at an amicable solution to resolve the dispute. Under the current circumstances, the Company has done a fair value of the said advances based on expected realization. The Company as a conservative accounting policy has made a provision of USD 73,692,418 (2014: USD 5,182,253) during the current year.

12. Amount due to related companies

	2015 USD	2014 USD
Amount due to related companies	34,194,740	36,365,413

The amounts due to related companies are unsecured, interest free and are repayable on demand. The amount payable of USD 2,296,353 to GTL International Limited has been written off during the current year.

13. Share capital

	2015 USD	2014 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

14. Trade and other payables

(a) Non–current liabilities

	2015 USD	2014 USD
Interest payable to banks	–	11,600,387
Sundry Creditors	–	315,900
	–	11,916,287

(b) Current liabilities

	2015 USD	2014 USD
Interest payable to banks	16,871,873	–
Accruals	5,000	5,000
	16,876,873	5,000

15. 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. This loan and the interest thereon is already overdue 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 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.

16. 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, 2015	**Within 1 Year USD**	**After more than1 year USD**
Credit Facility	**25,940,050**	–
Borrowings	**20,968,775**	–
Interest accrued on borrowings	**16,871,872**	–
Trade and other payables	**5,000**	–
Amount due in related companies	**34,194,740**	–
	97,980,437	–

31 December, 2014	**Within 1 Year USD**	**After more than1 year USD**
Credit Facility	25,940,050	–
Borrowings	–	20,968,775
Trade and other payables	5,000	11,916,287
Amount due in related companies	–	36,365,413
	25,945,050	69,250,475

(iv) Currency risk

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

Currency Profile

The currency profile of the Company's Financial assets and liabilities is summarized as follows:

	Financial assets 2015	**Financial liabilities 2015**	Financial assets 2014	Financial liabilities 2014
	USD	**USD**	USD	USD
United States dollar	**36,485,350**	**97,980,436**	183,343,176	95,195,525

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, 2015	**Floating USD**	**Within 1 Year USD**	**After more than 1 year USD**
Financial assets			
Deposits	**–**	**–**	**–**
Advances on project	**–**		**26,485,215**
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	

31 December, 2014	Floating USD	Within 1 Year USD	After more than 1 year USD
Financial assets			
Deposits	–	–	10,180,000
Advances on project	–	–	100,177,633
Investment	–	–	20,000,000
Share application monies	–	–	10,000,000
Trade and other receivables	–	–	42,975,080
Cash and cash equivalent	10,464	–	–
	10,464	–	183,332,713
Financial liabilities			
Trade and other payables	–	5,000	11,916,287
Borrowings	–	–	20,968,775
Bank credit facilities	–	25,940,050	–
Amount due to related companies	–	–	36,365,413
		25,945,050	69,250,475

17. Inventories

	2015 USD	2014 USD
Opening Balance	**8,341,634**	10,441,634
Less: Provision for diminution in value	**(8,341,634)**	(2,100,000)
Closing Balance	**–**	8,341,634

18. Administrative and general expenses

	Year ended December, 2015 USD	Year ended December, 2014 USD
Audit fee	**5,000**	5,000
Professional fee	**21,763**	14,176
<u>Provisions made against</u>:		
Advances	**73,800,610**	5,182,253
Capital Advance	**10,180,000**	5,683,631
Trade and other receivables	**42,975,080**	12,486,593
Investments	**20,000,000**	–
Inventories	**8,341,634**	2,100,000
Total of provisions made	**155,297,324**	25,452,477
Less: <u>Liabilities written back</u>		
Sundry Creditors	**(325,275)**	(1,666,056)
GTL International Limited	**(2,296,353)**	Nil
Total liabilities written back	**(2,621,628)**	(1,666,056)
Provisions net off amounts written back	**152,675,695**	23,786,421
Total Administrative and general expenses	**152,702,458**	23,805,597

19. Finance costs

	Year ended December, 2015 USD	Year ended December, 2014 USD
Interest on loan	**5,271,485**	5,583,423
Bank charges	**10,429**	136
	5,281,914	5,583,559

20. Related party transactions

During the year ended 31 December 2015, the Company transacted with related companies. The nature, volume and type of transactions with the companies are as follows

Amount in USD

Name of related company	Nature of transaction	2014	Movement during the year	2015	Receivable (R) / Payable (P)
GTL International Limited	Loan	2,278,865	(2,278,865)	NIL	P
GTL Limited	Loan	34,086,548	108,191	34,194,739	P

21. 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.

22. 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 2015.

DIRECTORS' REPORT

For the year ended 31 December 2015

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 2015.

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 26,208,524 for the year before accounting for foreign currency translation adjustment gains of USD 781,402 under 'Other comprehensive income'.

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 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 Holiding 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 29 March 2016.

Vipulkumar Patel Director	Milind Vasant Bapat Director

INDEPENDENT AUDITORS' REPORT

To the Shareholder of GTL International Limited

We have audited the accompanying financial statements of GTL International Limited (the Company), Bermuda and its Subsidiaries (collectively the Group), which comprises the consolidated and the Company statements of financial position as at 31 December 2015 and the consolidated and the Company statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 8 to 25.

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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and the Company financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated and the Company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's and Company's preparation and fair presentation of the consolidated and the Company 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 Group's and of the Company'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 consolidated and the Company 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 consolidated and the Company financial statements present fairly, in all material respects, the financial position of GTL International Limited and its Subsidiaries and of the Company as of 31 December 2015 and of their respective financial performance and their respective cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

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

Our audit opinion is not qualified in respect of this matter.

Behl, Lad & Al Sayegh
Signed by:
Vasant Lad
Partner
Registration No. 299
Dubai, United Arab Emirates
29 March 2016

BALANCE SHEET AS AT 31ST DECEMBER, 2015

	As at 31st December 2015 USD	As at 31st December 2014 USD	**As at 31st December 2015 INR**	As at 31st December 2014 INR
I. EQUITY AND LIABILITIES				
SHAREHOLDER'S FUNDS				
Share Capital	**8,000,000**	8,000,000	**531,400,000**	506,440,000
Reserves and Surplus	**(17,128,329)**	3,124,178	**(1,137,749,254)**	197,776,088
	(9,128,329)	11,124,178	**(606,349,254)**	704,216,088
NON–CURRENT LIABILITIES				
Long–term borrowings	**16,395,216**	22,364,000	**1,089,052,223**	1,415,753,020
Deferred tax liabilities (Net)	**–**	–	**–**	–
Other Long term liabilities	**–**	–	**–**	–
Long term provisions	**–**	–	**–**	–
	16,395,216	22,364,000	**1,089,052,223**	1,415,753,020
CURRENT LIABILITIES				
Short–term borrowings	**–**	–	**–**	–
Trade payables (including Acceptances)	**6,664,141**	4,884,100	**442,665,566**	309,187,951
Other current liabilities	**–**	–	**–**	–
Short–term provisions	**34,978,252**	37,735,503	**2,323,430,389**	2,388,846,017
	41,642,393	42,619,603	**2,766,095,955**	2,698,033,968
Total	**48,909,280**	76,107,781	**3,248,798,924**	4,818,003,076
II. ASSETS				
NON–CURRENT ASSETS				
Fixed assets	**–**	–	**–**	–
Non–current investments	**36,086,314**	50,234,210	**2,397,033,407**	3,180,076,664
Long term loans and advances	**12,532,358**	24,730,536	**832,461,880**	1,565,566,581
Other non–current assets	**–**	–	**–**	–
	48,618,672	74,964,746	**832,461,880**	1,565,566,581
CURRENT ASSETS				
Current investments	**–**	–	**–**	–
Trade receivables	**–**	–	**–**	–
Cash and cash equivalents	**290,608**	1,143,035	**19,303,636**	72,359,831
Other current assets	**–**	–	**–**	–
	290,608	1,143,035	**2,416,337,044**	3,252,436,495
Total	**48,909,280**	76,107,781	**3,248,798,924**	4,818,003,076

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD 31 DECEMBER 2015

	1–Jan–15 to 31–Dec–15 USD	1–Jan–14 to 31–Dec–14 USD	**1–Jan–15 to 31–Dec–15 INR**	1–Jan–14 to 31–Dec–14 INR
Revenue from operations	**863,476**	1,360,642	**56,672,712**	83,612,963
Other Income	**2,645,444**	6,078,257	**173,629,014**	373,515,646
Total Revenue	**3,508,920**	7,438,899	**230,301,726**	457,128,609
Expenses:				
Cost of Purchases	**–**	–	**–**	–
Changes in inventories of finished goods, work–in–progress and Stock–in–Trade	**–**	–	**–**	–
Employee benefits expenses	**–**	–	**–**	–
Finance Costs	**1,963,412**	1,692,241	**128,865,056**	103,990,090
Impairment loss on investments in subsidiaries	**–**	20,567,047	**–**	1,263,867,890
Investments written off of closed subsidiary	**9,147,896**	–	**600,405,891**	–
Loss on sale of an investment	**4,399,900**	–	**288,779,614**	–
Depreciation and amortization expense	**–**	–	**–**	–
Other expenses	**15,049,957**	13,033,353	**987,777,172**	800,914,023
Total Expenses	**30,561,165**	35,292,641	**2,005,827,734**	2,168,772,003
Profit before exceptional and extraordinary items and tax	**(27,052,245)**	(27,853,742)	**(1,775,526,008)**	(1,711,643,395)
Exceptional Items	**–**	–	**–**	–
Profit before extraordinary items and tax	**(27,052,245)**	(27,853,742)	**(1,775,526,008)**	(1,711,643,395)
Discontinuing Operations:				
– Accumulated losses of a subsidiary disposed off	**6,312,141**	–	**414,286,153**	–
– Retained earnings of a subsidiary liquidated	**(13,111,879)**	–	**(860,574,868)**	–
Profit before tax	**(20,252,507)**	(27,853,742)	**(1,329,237,292)**	(1,711,643,395)
Tax expense:				
Current tax	**–**	–	**–**	–
Deferred tax Liability / (Asset)	**–**	–	**–**	–
Profit / (Loss) from the period after Tax	**(20,252,507)**	(27,853,742)	**(1,329,237,292)**	(1,711,643,395)

CONSOLIDATED AND THE COMPANY STATEMENTS OF CASH FLOWS YEAR ENDED 31 DECEMBER 2015

		The Group		The Company	
		2015	2014	**2015**	2014
	Note	**USD**	USD	**USD**	USD
Cash flows from operating activities					
Loss for the year		**(21,976,933)**	(4,324,861)	**(20,252,507)**	(27,853,742)
Adjustments for:					
Written off of slow–moving inventories	6	**(189,108)**	187,391	**–**	–
Dividend income	7	**–**	–	**(2,557,158)**	(5,000,000)
Gain on disposal of property, plant and equipment	7	**(6,398)**	–	**–**	–
Loss on sale of an investment in a subsidiary	10	**–**	–	**4,399,900**	–
Investment in a subsidiary written off	10	**–**	–	**9,147,896**	–
Provision for doubtful debts & bad debts written off	10	**12,904,232**	12,138,394	**13,122,813**	11,480,000
Credit balances written back	7	**(2,521,048)**	(6,163,818)	**(88,286)**	(1,078,257)
Depreciation of property and equipment	13	**361,624**	1,291,858	**–**	–
Property and equipment written off	13	**–**	1,292,064	**–**	–
Ammortisation of intangible asset	14	**5,285,162**	1,000,000	**–**	–
Impairment loss on investment in subsidiaries	15	**–**	–	**–**	20,567,047
Interest income		**(84,744)**	(57,274)	**–**	–
Interest expenses	11	**2,298,159**	2,518,089	**1,966,337**	1,694,880
Operating (loss)/profit before changes in operating assets and liabilities		**(3,929,054)**	7,881,843	**5,738,995**	(190,072)
Decrease in inventories		**6,738,879**	1,972,554	**–**	–
Decrease/(increase) in receivables and prepayments		**155,152**	778,048	**(7,369,988)**	(1,156,373)
(Decrease)/increase in trade and other payables		**(5,756,664)**	8,752,118	**–**	2,505,485
Increase in provisions for employee benefits		**7,764**	103,560	**–**	–
Cash (used in)/generated from operations		**(2,783,923)**	19,488,123	**(1,630,993)**	1,159,040
Income taxes paid		**(1,472,007)**	(1,010,168)	**–**	–
Finance costs paid		**(518,118)**	(1,024,122)	**(186,296)**	(1,694,880)
Net cash (used in)/from operating activities (A)		**(4,774,048)**	17,453,833	**(1,817,289)**	(535,840)
Cash flows from investing activities					
Purchases of property, plant and equipment		**(278,997)**	(1,179,601)	**–**	–
Proceeds from disposal of property, plant and equipment		**9,772**	–	**–**	–
Investment in non–current financial assets		**(708,889)**	(1,440,668)	**–**	–
Other non–current asses		**150,414**	25,156	**–**	–
Proceeds from/(payments for) investments in subsidiaries		**–**	–	**100**	(13,750)
Interest received		**84,744**	57,274	**–**	–
Net cash (used in)/from investing activities (B)		**(742,956)**	(2,537,839)	**100**	(13,750)
Cash flows from financing activities					
(Repayment of)/proceeds from bank borrowings excluding bank overdrafts		**(182,493)**	(553,428)	**100,394**	220,697
Receipts from/(payments to) related parties (net)		**2,286,883**	1,088,250	**864,368**	906,166
Net cash from financing activities (C)		**2,104,390**	534,822	**964,762**	1,126,863
Net effect of foreign currency translations (D)	2 (b)	**2,139,256**	(13,333,789)	**–**	–
Net (decrease)/increase in cash and cash equivalents (A+B+C+D)		**(1,273,358)**	2,117,027	**(852,427)**	577,273
Cash and cash equivalents at beginning of the year		**7,091,389**	4,974,362	**1,143,035**	565,762
Cash and cash equivalents at end of the year	19 (b)	5,818,031	7,091,389	**290,608**	1,143,035

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2015

The Group	Attributable to the Ultimate Holding company						
	Share capital	Foreign currency translation deficit {Note 2 (b)}	Statutory reserve	(Accumulated losses)/ retained earnings	Total	Non–controlling interests	Total equity
	USD	USD	USD	USD	USD	USD	USD
As at 1 January 2014	8,000,000	(8,678,752)	163,750	32,172,001	31,656,999	86,520	31,743,519
Total comprehensive loss for the year	–	(12,752,482)	–	(4,714,903)	(17,467,385)	(92,054)	(17,559,439)
Contra for impairment loss on investment in subsidiaries (Note 15)	–	20,567,047	–	(20,567,047)	–	–	–
At 31 December 2014	8,000,000	(864,187)	163,750	6,890,051	14,189,614	(5,534)	14,184,080
Total comprehensive loss for the year	–	781,402	–	(26,105,122)	(25,323,720)	(103,402)	(25,427,122)
At 31 December 2015	**8,000,000**	**(82,785)**	**163,750**	**(19,215,071)**	**(11,134,106)**	**(108,936)**	**(11,243,042)**
The Company							
As at 1 January 2014	8,000,000	–	–	30,977,920	38,977,920	–	38,977,920
Total comprehensive loss for the year	–	–	–	(27,853,742)	(27,853,742)	–	(27,853,742)
At 31 December 2014	8,000,000	–	–	3,124,178	11,124,178	–	11,124,178
Total comprehensive loss for the year	–	–	–	(20,252,507)	(20,252,507)	–	(20,252,507)
At 31 December 2015	**8,000,000**	**–**	**–**	**(17,128,329)**	**(9,128,329)**	**–**	**(9,128,329)**

The accompanying notes on pages 8 to 25 form an integral part of these financial statements.

The Independent Auditor's report is set forth on pages 2 & 3.

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31,2015

	As at 31st December 2015 USD	As at 31st December 2014 USD	As at 31st December 2015 INR	As at 31st December 2014 INR
Share Capital				
Authorised				
76,000,000 Equity Shares of USD 1 each	**76,000,000**	76,000,000	**5,048,300,000**	4,811,180,000
120,000,000 Preference Shares of USD 1 each	**120,000,000**	120,000,000	**7,971,000,000**	7,596,600,000
	196,000,000	196,000,000	**13,019,300,000**	12,407,780,000
Issued, subscribed and paid up:				
3,000,000 Equity Shares fully paid–up of USD 1 each	**3,000,000**	3,000,000	**199,275,000**	189,915,000
5,000,000 3.5% Convertible Preference Shares of USD 1 each	**5,000,000**	5,000,000	**332,125,000**	316,525,000
Total	**8,000,000**	8,000,000	**531,400,000**	506,440,000
Reserves and Surplus				
Translation Reserve	**–**	–	**6,494,723**	12,782,772
Profit & Loss Account :				
Surplus – Opening Balance	**3,124,178**	30,977,920	**184,993,316**	1,896,636,711
Add : Net profit after tax transferred from Statement of Profit and L	**(20,252,507)**	(27,853,742)	**(1,329,237,292)**	(1,711,643,395)
Amount available for appropriation	**(17,128,329)**	3,124,178	**(1,144,243,976)**	184,993,316
Transfer to Debenture Redemption Reserve				
Surplus – Closing Balance	**(17,128,329)**	3,124,178	**(1,144,243,976)**	184,993,316
Total	**(17,128,329)**	3,124,178	**(1,137,749,254)**	197,776,088
Long Term Borrowings				
Term Loans :				
From Banks	**16,395,216**	22,364,000	**1,089,052,223**	1,415,753,020
Total of Secured Loan	**16,395,216**	22,364,000	**1,089,052,223**	1,415,753,020
Total of Long Term Borrowings	**16,395,216**	22,364,000	**1,089,052,223**	1,415,753,020
Trade Payables	**6,664,141**	4,884,100	**442,665,566**	309,187,951
Total	**6,664,141**	4,884,100	**442,665,566**	309,187,951
Other Current Liabilities				
Current maturities of Term Loan from Bank	**11,880,875**	5,811,697	**789,187,122**	367,909,479
Current maturities of convertible debentures	**10,017,083**	12,260,000	**665,384,738**	776,119,300
Other Liabilities	**13,080,294**	19,663,806	**868,858,529**	1,244,817,239
Total	**34,978,252**	37,735,503	**2,323,430,389**	2,388,846,017
Non current Investments				
Non Current Investments	**36,086,314**	50,234,210	**2,397,033,407**	3,180,076,664
Total	**36,086,314**	50,234,210	**2,397,033,407**	3,180,076,664
Long term loans and advances				
Loans & Advances to Related Parties	**8,487,947**	13,290,383	**563,811,879**	841,347,696
Other Loans & Advances	**4,044,411**	11,440,153	**268,650,001**	724,218,886
Total	**12,532,358**	24,730,536	**832,461,880**	1,565,566,581

	As at 31st December 2015 USD	As at 31st December 2014 USD	As at 31st December 2015 INR	As at 31st December 2014 INR
Trade Receivables				
Debts outstanding for a period exceeding six months				
Unsecured				
Considered good	**–**	–	**–**	–
Considered doubtful	**7,980,000**	7,980,000	**530,071,500**	505,173,900
	7,980,000	7,980,000	**530,071,500**	505,173,900
Less: Provision for doubtful debts	**7,980,000**	7,980,000	**530,071,500**	505,173,900
Total	**–**	–	**–**	–
Cash and cash equivalents				
Balances with Banks				
Balance in current account with a Non–Scheduled Bank	**290,608**	1,143,035	**19,303,636**	72,359,831
Total	**290,608**	1,143,035	**19,303,636**	72,359,831
Revenue from Operations				
Other Operating Revenues	**863,476**	1,360,642	**56,672,712**	83,612,963
Total	**863,476**	1,360,642	**56,672,712**	83,612,963
Other Income				
Dividend from investments in Subsidiary Companies	**2,557,158**	5,000,000	**167,834,519**	307,255,556
Other Non–Operating Income	**88,286**	1,078,257	**5,794,495**	66,260,091
Total	**2,645,444**	6,078,257	**173,629,014**	373,515,646
Finance Costs				
Interest Expense				
Interest on Borrowings	**1,963,412**	1,692,241	**128,865,056**	103,990,090
Total	**1,963,412**	1,692,241	**128,865,056**	103,990,090
Other Expenses				
Business Promotion Expenses	**683,132**	384,193	**44,836,154**	23,609,087
Legal and Professional Fees	**1,178,983**	527,373	**77,380,453**	32,407,657
Provision for Doubtful Debts & Advances	**13,122,813**	12,118,792	**861,292,502**	744,713,234
Net (Gain)/Loss on Foreign Currency Transactions	**54,900**	356	**3,603,264**	21,877
Other Expenses	**10,129**	2,639	**664,799**	162,169
Total	**15,049,957**	13,033,353	**987,777,172**	800,914,023

NOTES TO THE CONSOLIDATED AND THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015 USD	At cost 2014 USD
GTL Network Services Malaysia Sdn. Bhd.	Malaysia	100	**19,325,637**	19,325,637
GTL (USA) Inc.*	USA	100	**–**	5,000,000
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 FZ–LLC *	UAE	100	**–**	9,147,896
GTL Overseas (Middle East) DMCC	UAE	100	**13,750**	13,750
GTL International Nigeria Limited	Nigeria	100	**64,260**	64,260
GTL Europe Limited	UK	100	**9,542,280**	9,542,280
GTL International Sri Lanka Ltd.	Sri Lanka	100	**145,000**	145,000
GTL International Kenya	Kenya	100	**25,000**	25,000
GTL Tanzania Ltd.	Tanzania	100	**25,000**	25,000
(Refer Note 15)			**56,653,361**	70,801,257

* During the year, GTL (USA) Inc. was sold and GTL Overseas Middle East FZ–LLC was liquidated. The accumulated losses of USD 6,312,141 of GTL (USA) Inc. and the retained earnings of USD 13,111,879 of GTL Overseas Middle East FZ–LLC have been released to the statement of profit and loss of the Company (Page 4).

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

Name of step–subsidiary	Country of incorporation	% holdings	Subsidiary of
PT GTL (Indonesia) Ltd. (dormant)	Indonesia	100	GTL (Singapore) Pte. Ltd.
GTL Nepal Private Limited	Nepal	100	GTL (Singapore) Pte. Ltd.
GTL China Limited (dormant)	China	100	GTL Network Services Malaysia Sdn Bhd
IGTL Network Services Philippines Inc.	Philippines	100	GTL Network Services Malaysia Sdn Bhd
GTL Taiwan Co. Ltd. (dormant)	Taiwan	100	GTL Network Services Malaysia Sdn Bhd
GTL International Bangladesh Pvt. Ltd.	Bangladesh	100	GTL Europe Limited
IGTL Myanmar Limited	Myanmar	100	GTL (Singapore) Pte. Ltd. (99%)

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) – {Note 2 (f)}.

b) 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:

	2015 USD	2014 USD
Bangladeshi Taka	**76.758**	76.599
Myanmar Kyat	**1,292.250**	1,014.450
Great Britain Pound Sterling (GBP)	**0.657**	0.619
Indonesian Rupiah	**13,793.100**	12,048.990
Kenyan Shilling	**100.518**	89.046
Malaysian Ringit	**4.294**	3.498
Nepalese Rupee	**104.754**	100.769
Philippine Peso	**46.846**	44.683
Saudi Riyal	**3.750**	3.750
South African Rand	**–**	11.602
Sri Lankan Rupee	**–**	130.403
Tanzanian Shilling	**2,115.920**	1,700.970
UAE Dirham	**3.650**	3.650

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

c) Use of significant estimates, assumptions and judgements

In preparing the financial statements, 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.

d) Going concern basis of accounting

At the end of the year, the Group and the Company had accumulated losses of USD 19,215,071 and USD 17,128,329 respectively, their equities were negative at USD 11,243,042 and USD 9,128,329 respectively and their current liabilities exceeded current assets by USD 30,669,621 and USD 28,819,427 respectively. However, their 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 Group companies to enable them to meet their respective payment obligations as and when they fall due for payment.

e) New and amended standards

i) Applicable from the current year

- Annual improvements to IFRSs 2010–2012 and 2011–2013 cycles (Effective date: 1 July 2014).
- Various clarifications were issued by IASB in December 2013 in respect of IFRS 1 which confirms that first–time adopters of AASs can adopt standards that are not yet mandatory and in respect of IFRS 2, 3, 8, 13, 16, 24, 38 & 40 – None of these are applicable to the Group/Company.
- Defined Benefit Plans: Employee Contributions (Amendment to IAS 19) – (Effective date: 1 July 2014) – Not applicable to the Group/Company.
- IFRS 9 (as revised in 2010) – 'Financial Instruments' – This new standard is ultimately intended to replace IAS 39 in its entirety in three phases: Phase 1 – Classification and measurement of financial assets and financial liabilities; Phase 2 – Impairment methodology and Phase 3 – Hedge accounting. The standard establishes two categories for financial assets i.e. amortized cost and fair value.

ii) Forthcoming requirements available for early adoption

Effective date: 1 July 2016

- Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41) – These amendments require a bearer plant, defined as a living plant, to be accounted for as property, plant and equipment and included in the scope of IAS 16 – Property, Plant and Equipment, instead of IAS 41 – Agriculture. – Not applicable to the Group/Company.
- IFRS 14 – Regulatory Deferral Accounts – No such items.
- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11) – Not applicable to the Company.
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and 41).
- Equity method in separate financial statements – Amendments to IAS 27.
- Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28.

Effective date: 1 January 2017

- IFRS 15 – Revenue from Contracts with Customers – This establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 – Revenue, IAS 11 – Construction Contracts and IFRIC 13 – Customer Loyalty Programmes.

Effective date: 1 January 2018

- 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 – Not relevant to the Group/Company.

The Group/Company has not early–adopted these standards in the current year.

f) 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 the audited financial statements of the subsidiaries with the exception of GTL Network Services Malaysia Sdn. Bhd., GTL Tanzania Ltd. and the dormant subsidiaries, PT GTL (Indonesia) Ltd., GTL China Ltd. and GTL Taiwan Co. Ltd. which have presented unaudited management accounts for the year ended 31 December 2015.

ii) A company is a subsidiary, if the Company has the power over the investee, is exposed or has rights to variable returns from its involvement with the investee; and has the ability to use its power to effect its returns.

iii) The like items of assets, liabilities, equity, income and expenses and cash flows of the all the subsidiaries of the Group are combined. 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, 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.

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 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 re–sale.

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 or valuation less accumulated depreciation and any accumulated impairment losses.

Gains/losses on disposal are determined by reference to their carrying amount and are included in 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 plant and equipment, furniture and fittings, office equipment, computer equipment and motor vehicles 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 and equipment	5	years
Furniture and fittings	2 – 10	years
Office equipment	2 – 10	years
Computer equipment	5 – 10	years
Motor vehicles	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.

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) 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.

l) Convertible debentures

Convertible debentures are stated at the net amount received.

m) Borrowings

Borrowings are stated at the net amount received and exclude all borrowing costs.

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 23).

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, payables and accruals 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 18 (c)}, dues from related parties (Note 27) and bank balances {Notes 16 & 19 (a)}.

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 18 (d)}.

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 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 11,243,042 for the Group and USD 9,128,329 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.

		The Group		The Company	
		2015	2014	2015	2014
		USD	USD	USD	USD
6	**Cost of revenue**				
	Opening inventories	**6,691,931**	8,851,876	**–**	–
	Add: Purchases during the year	**2,543,564**	–	**–**	–
	Less: closing inventories	**(142,160)**	(6,691,931)	**–**	–
	Less: Slow–moving inventories written off	**189,108**	(187,391)	**–**	–
	Cost of inventories consumed	**9,282,443**	1,972,554	**–**	–
	Turnkey project costs	**11,383,318**	11,600,078	**–**	–
	Subcontracting charges	**20,704,445**	8,071,476	**–**	–
	Spares consumed	**–**	679,937	**–**	–
	Freight and clearing charges	**–**	67,308	**–**	–
	Vehicle hiring charges	**5,112,893**	3,949,670	**–**	–
	Delivery staff salaries	**11,675,241**	11,737,672	**–**	–
	Delivery staff expenses	**–**	1,676,191	**–**	–
	Others	**842,979**	11,980,352	**–**	–
		59,001,319	51,735,238	**–**	–
7	**Other income**				
	Foreign exchange gains (net)	**5,807**	4,152	**–**	–
	Dividend income	**–**	–	**2,557,158**	5,000,000
	Credit balances written back	**2,521,048**	6,163,818	**88,286**	1,078,257
	Gain on disposal of property, plant and equipment	**6,398**	–	**–**	–
	Miscellaneous income	**128,541**	–	**–**	–
		2,661,794	6,167,970	**2,645,444**	6,078,257
8	**Selling expenses**				
	S & M staff salaries	**2,464,757**	4,192,072	**–**	–
	S & M staff expenses	**81,119**	107,082	**–**	–
	Business promotion expenses	**744,111**	1,279,840	**683,132**	384,193
	Travelling and vehicle charges	**150,543**	404,290	**–**	–
	Others	**535,067**	1,035,588	**–**	–
		3,975,597	7,018,872	**683,132**	384,193
9	**Administrative expenses**				
	Support staff salaries	**1,042,173**	562,665	**–**	–
	Support staff expenses	**34,919**	133,151	**–**	–
	Rent, rates and taxes	**479,319**	101,538	**–**	–
	Utilities	**44,148**	1,357	**–**	–
	Legal and professional charges	**1,375,491**	521,324	**1,178,983**	527,373
	Travelling and vehicle charges	**897,692**	107,859	**–**	–
	Communication expenses	**96,507**	27,461	**–**	–
	Repairs and maintenance charges	**13,871**	36,271	**–**	–
	Others	**596,846**	90,021	**7,204**	–
		4,580,966	1,581,647	**1,186,187**	527,373

		The Group		The Company	
		2015	2014	2015	2014
		USD	USD	USD	USD
10	**Other expenses**				
	Bad debts written off	**4,478,791**	658,394	**5,129,313**	–
	Assets written off during the year (Note 13)	**–**	1,292,064	**–**	–
	Loss on sale of an investment (Note 15)	**–**	–	**4,399,900**	–
	Investment written off of closed subsidiary (Note 15)	**–**	–	**9,147,896**	–
	Provision for doubtful debts:				
	– Trade receivables {Note 18 (e) (ii)}	**431,941**	7,980,000	**–**	7,980,000
	– Advances to suppliers {Note 18 (e) (ii)}	**7,993,500**	3,500,000	**7,993,500**	3,500,000
	– Dues from related parties	**–**	–	**–**	638,792
	Foreign exchange losses (net)	**654,063**	–	**54,900**	356
		13,558,295	13,430,458	**26,725,509**	12,119,148
11	**Finance costs (net)**				
	Interest charges on bank borrowings	**2,250,259**	2,039,046	**1,963,412**	1,692,241
	Bank charges	**47,900**	479,043	**2,925**	2,639
		2,298,159	2,518,089	**1,966,337**	1,694,880
12	**Net impact of discontinued operations**				
	Revenue	**5,912,613**	1,376,749	**–**	–
	Expenses	**(3,020,463)**	(1,754,568)	**–**	–
	Gross profit/(loss)	**2,892,150**	(377,819)	**–**	–
	Other items (net)	**(3,462,937)**	4,260,671	**–**	–
	(Loss)/profit for the year	**(570,787)**	3,882,852	**–**	–

13 Property, plant and equipment – Group only

	Plant and equipment	Furniture and fittings	Office equipment	Computer equipment	Motor vehicles	Total
	USD	USD	USD	USD	USD	USD
Net book values						
As at 31 December 2015						
Cost	**1,510,836**	**512,084**	**200,177**	**1,179,102**	**66,788**	**3,468,987**
Accumulated depreciation	**(1,152,958)**	**(312,923)**	**(114,884)**	**(795,631)**	**(24,116)**	**(2,400,512)**
Net book value	**357,878**	**199,161**	**85,293**	**383,471**	**42,672**	**1,068,475**
As at 31 December 2014						
Cost	3,787,537	702,832	440,100	1,159,726	15,890	6,106,085
Accumulated depreciation	(2,644,404)	(520,358)	(333,408)	(84,997)	(10,588)	(3,593,755)
Net book value	1,143,133	182,474	106,692	1,074,729	5,302	2,512,330

	Plant and equipment USD	Furniture and fittings USD	Office equipment USD	Computer equipment USD	Motor vehicles USD	Total USD
Reconciliation of net book values						
As at 1 January 2014	234,670	35,982	2,208,014	813,563	72,275	3,364,504
Additions during the year	1,122,516	14,959	–	42,126	–	1,179,601
Disposals during the year						
– Cost	(2,301,731)	–	(2,120,077)	(1,807,555)	(208,575)	(6,437,938)
– Accumulated depreciation	2,163,410	128,288	24,274	2,693,677	136,225	5,145,874
Depreciation for the year	(402,335)	(41,749)	(29,826)	(812,821)	(5,127)	(1,291,858)
Foreign currency translation reserve {Note 2 (b)}	326,603	44,994	24,307	145,739	10,504	552,147
As at 31 December 2014	1,143,133	182,474	106,692	1,074,729	5,302	2,512,330
Additions during the year	15,654	157,036	24,638	30,519	51,150	278,997
Disposals during the year						
– Cost	(47,754)	(16,425)	–	(1,773)	–	(65,952)
– Accumulated depreciation	45,229	16,172	–	1,177	–	62,578
Depreciation for the year	(142,731)	(93,660)	(25,983)	(89,024)	(10,226)	(361,624)
Foreign currency translation reserve {Note 2 (b)}	(655,653)	(46,436)	(20,054)	(632,157)	(3,554)	(1,357,854)
As at 31 December 2015	357,878	199,161	85,293	383,471	42,672	1,068,475

		The Group		The Company	
		2015 USD	2014 USD	2015 USD	2014 USD
14	**Intangible asset**				
	Goodwill				
	– Cost	**40,421,650**	45,535,162	**–**	–
	– Accumulated ammortisation	**(7,421,650)**	(7,250,000)	**–**	–
		33,000,000	38,285,162	**–**	–
	Reconciliation of net book values				
	Opening balance	**38,285,162**	39,285,162	**–**	–
	Written–off during the year				
	– Cost	**(5,113,511)**	–	**–**	–
	– Accumulated ammortisation	**5,113,511**	–	**–**	–
	Ammortisation for the year (Page 4)	**(5,285,162)**	(1,000,000)	**–**	–
	Closing balances	**33,000,000**	38,285,162	**–**	–

During the year, the management have reviewed the operational performance of the subsidiaries and written off fully amortised goodwill with a cost of USD 5,113,511 in respect of the non–operating subsidiaries.

		The Company 2015 USD	The Company 2014 USD
15	**Investments in subsidiaries**		
	Investments in subsidiaries {Note 1 (d)}	**56,653,361**	70,801,257
	Impairment loss on investments	**(20,567,047)**	(20,567,047)
		36,086,314	50,234,210
	Movements in investments		
	Opening balance	**50,234,210**	70,787,507
	Add: Investment made during the year	**–**	13,750
	Less: Investment written off in respect of a subsidiary liquidated (Note 10)	**(9,147,896)**	–
	Less: Sale of investment in a subsidiary	**(5,000,000)**	–
	Less: Impairment on investments	**–**	(20,567,047)
	Closing balance	**36,086,314**	50,234,210

		The Group		The Company	
		2015	2014	2015	2014
		USD	USD	USD	USD
	Recognised loss on sale of an investment in a subsidiary				
	Cost of investment sold	**–**	–	**5,000,000**	–
	Less: Proceeds from sale of investment	**–**	–	**(600,100)**	–
	Loss on sale of an investment (Note 10)	**–**	–	**4,399,900**	–
16	**Non–current financial assets**				
	Fixed deposit with a bank	**2,149,557**	1,440,668	**–**	–
	This is kept with reputed bank and is under lien as security for bank borrowings {Note 22 (a)}.				
17	**Inventories**				
	Goods held for consumption	**142,160**	6,691,931	**–**	–
	In the opinion of the management, the inventories would fetch at least their carrying values on sale.				
18	**Receivables and prepayments**				
	Trade receivables (net) – (a) & {(e) (i) & (ii)}	**13,862,732**	23,095,995	**–**	–
	Advances to suppliers (b) & {(e) (i) & (ii)}	**554,525**	10,698,719	**266,760**	11,440,153
	Due from an ex–subsidiary	**2,000,000**	–	**2,000,000**	–
	Receivable from sale of an investment in a subsidiary	**600,000**	–	**600,000**	–
	Dividend receivable	**–**	–	**913,200**	–
	Other advances	**–**	–	**264,451**	–
	Deposits	**466,197**	1,202,427	**–**	–
	Prepayments	**5,023,739**	2,812,353	**–**	–
		22,507,193	37,809,494	**4,044,411**	11,440,153

a) Trade receivables are net of provision for doubtful debts of USD 8,955,965 (previous year: USD 8,524,024) {(e) (ii)} for the Group and USD 7,980,000 (previous year: USD 7,980,000) for the Company.

b) The advances to suppliers are net of provision for doubtful advances of USD 11,493,500 (previous year: USD 3,500,000) 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 are as follows:

	The Group		The Company	
	2015	2014	2015	2014
	USD	USD	USD	USD
Saudi Riyal	**1,781,383**	5,421,406	**–**	–
Nepalese Rupee	**2,874,709**	4,617,395	**–**	–
Great Britain Pound Sterling (GBP)	**3,841,882**	2,231,867	**–**	–
UAE Dirhams	**1,813,625**	1,788,160	**–**	–
Nigerian Naira	**–**	819,986	**–**	–
Bangladeshi Taka	**–**	484,436	**–**	–
Burmese Kyat	**–**	429,522	**–**	–
Sri lankan Rupee	**–**	267,916	**–**	–
Philippine Peso	**63,751**	225,913	**–**	–
Tanzanian Shilling	**922**	12,983	**–**	–
Singapore Dollar	**123,041**	–	**–**	–
Myanmar Kyat	**3,355,662**	–	**–**	–
Malaysian Ringgit	**–**	–	**–**	–
Indonesian Rupiah	**7,757**	–	**–**	–
	13,862,732	16,299,584	**–**	–

		The Group		The Company	
		2015	2014	2015	2014
		USD	USD	USD	USD
e)	**Impairment**				
i)	The age analysis of total trade receivables receivables (gross) was as follows:				
	Less than one year	**12,035,806**	18,766,524	**–**	–
	Over one year	**10,782,891**	12,853,495	**7,980,000**	7,980,000
	Total	**22,818,697**	31,620,019	**7,980,000**	7,980,000
ii)	The movement in provision for doubtful debts and advances during the year was as follows:				
	Opening balance	**12,024,024**	544,024	**11,480,000**	–
	Provision for the year (Note 10):				
	– Against trade receivables	**431,941**	7,980,000	**–**	7,980,000
	– Against advances to suppliers	**7,993,500**	3,500,000	**7,993,500**	3,500,000
	Closing balance	**20,449,465**	12,024,024	**19,473,500**	11,480,000
	The closing balance comprises as follows:				
	Provision against trade receivables	**8,955,965**	8,524,024	**7,980,000**	7,980,000
	Provision against advances to suppliers	**11,493,500**	3,500,000	**11,493,500**	3,500,000
		20,449,465	12,024,024	**19,473,500**	11,480,000
19	**Cash and cash equivalents**				
	Cash in hand	**35,524**	47,066	**–**	–
	Cash at bank and cash in hand	**6,594,605**	11,898,387	**290,608**	1,143,035
		6,630,129	11,945,453	**290,608**	1,143,035
a)	The bank accounts are placed with reputed banks.				
b)	For the purpose of the statement of cash flows, the cash and cash equivalents have been arrived as below:				
	Cash and cash equivalents as above	**6,630,129**	11,945,453	**290,608**	1,143,035
	Less: Bank overdraft	**(812,098)**	(4,854,064)	**–**	–
		5,818,031	7,091,389	**290,608**	1,143,035
20	**Capital and reserve**				
	a) Share capital				
	Authorised				
	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				
	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.

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.

		The Group 2015 USD	The Group 2014 USD	The Company 2015 USD	The Company 2014 USD
21	**Non–controlling interest**				
	Opening balance – (Debit)	**(5,534)**	86,520	**–**	–
	Share of losses for the year	**(103,402)**	(62,894)	**–**	–
	Foreign currency translation difference	**–**	(29,160)	**–**	–
	Closing balance – (Debit)	**(108,936)**	(5,534)	**–**	–

		The Group		The Company	
		2015	2014	2015	2014
		USD	USD	USD	USD
22	**Borrowings**				
	Non–current				
	Bank term loans	**16,395,216**	23,289,645	**16,395,216**	22,364,000
	Current				
	Bank overdrafts	**812,098**	4,854,064	**–**	–
	Bank term loans	**12,523,633**	5,811,697	**11,880,875**	5,811,697
		13,335,731	10,665,761	**11,880,875**	5,811,697

a) 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 6 millions of principal and interest servicing of FCTL facility.
- Lien over fixed deposit with a bank (Note 16).

b) The bank loans are repayable as follows:

- USD 28,276,091 in half yearly installments aggregating to USD 5,591,000 in 2015, USD 6,289,875 in 2016, USD 7,687,625 in 2017 and USD 8,707,591 in 2018. The installments repayable in 2015 are overdue and currently the Company is in the process of negotiating with the bank for a bullet settlement of the entire loan.
- USD 642,758 secured against fixed deposit (Note 16) and payable after one year from the reporting date.

		The Group 2015 USD	The Group 2014 USD	The Company 2015 USD	The Company 2014 USD
23	**Employee benefits provisions**				
	Opening balance	**785,951**	682,391	**–**	–
	Add: Provision for the year (Note 10)	**359,910**	103,560	**–**	–
	Less: Payment made during the year	**(352,146)**	–	**–**	–
	Closing balance	**793,715**	785,951	**–**	–

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

24 Convertible debentures

This represents convertible debentures issued by the Company, due for redemption as follows:

	The Group 2015 USD	The Group 2014 USD	The Company 2015 USD	The Company 2014 USD
23 June 2014	**1,257,083**	3,500,000	**1,257,083**	3,500,000
23 December 2014	**3,500,000**	3,500,000	**3,500,000**	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
	10,017,083	12,260,000	**10,017,083**	12,260,000

The holder of the convertible debentures, Alpha Impex Limited, has the option to convert the debentures into equity shares if the Company fails to redeem them on the due dates. During the year, an advance amount of USD 2,242,917 included in advances to suppliers (Note 18) was adjusted against this amount.

25 Taxation

Income tax

Per 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 2015 USD	The Group 2014 USD	The Company 2015 USD	The Company 2014 USD
Income tax expenses (net)				
Income tax expense	**1,472,007**	1,010,168	**–**	–
Deferred tax of a subsidiary disposed off	**2,834,711**	–	**–**	–
Deferred tax	**(75,127)**	(557,232)	**–**	–
	4,231,591	452,936	**–**	–
Deferred tax asset				
Opening balance	**3,150,175**	2,592,943	**–**	–
Movements during the year	**(2,759,584)**	557,232	**–**	–
Closing balance	**390,591**	3,150,175	**–**	–

		The Group		The Company	
		2015	2014	2015	2014
		USD	USD	USD	USD
26	**Trade and other payables**				
	Trade payables	**5,542,461**	22,218,995	**–**	–
	Advances from customers	**152,300**	585,527	**–**	–
	Accrued interest expenses	**6,421,616**	4,641,575	**6,421,616**	4,641,575
	Sundry creditors & accruals	**10,345,861**	1,513,812	**242,525**	242,525
		22,462,238	28,959,909	**6,664,141**	4,884,100

27 Related parties

Related parties 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 2015 USD	The Group 2014 USD	The Company 2015 USD	The Company 2014 USD
Disclosed as due from related parties:				
– Parent company	**1,150,794**	1,166,012	**265,772**	767,359
– Related parties	**56,991**	3,385,834	**8,222,175**	12,523,024
	1,207,785	4,551,846	**8,487,947**	13,290,383

In the opinion of the management, all these related party balances are fully recoverable.

	The Group 2015 USD	The Group 2014 USD	The Company 2015 USD	The Company 2014 USD
Disclosed as dues to related parties:				
– Parent company	**15,310,690**	16,296,642	**11,306,302**	11,312,770
– Related parties	**31,146**	102,372	**1,773,992**	8,351,036
	15,341,836	16,399,014	**13,080,294**	19,663,806

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 during the year were as follows:

Companies under common ownership and management control (Company only)

	The Group 2015 USD	The Group 2014 USD	The Company 2015 USD	The Company 2014 USD
Dividend income			**2,557,158**	5,000,000
Marketing fees	**–**	–	**963,876**	1,360,642
Administrative expenses	**–**	–	**895,040**	486,404
Bad debts written off	**–**	–	**5,129,313**	–
Interest recharge	**–**	–	**333,676**	343,135

28 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.

29 Approval of financial statements

These financial statements were approved by the Directors on 29 March 2016.

Vipulkumar Patel
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 2015.

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 2015 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, Cap. 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	Deemed 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

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

Mayekar Shivani Shailesh
Director

7 March 2016

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

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 2015, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap 50 ("the Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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 Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 December 2015 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

ROHAN MAH & PARTNERS LLP
Public Accountants and
Chartered Accountants

Singapore
7 March 2016

BALANCE SHEET AS AT 31ST DECEMBER, 2015

		As at 31st December 2015 USD	As at 31st December 2014 USD	As at 31st December 2015 INR	As at 31st December 2014 INR
I.	**EQUITY AND LIABILITIES**				
	SHAREHOLDER'S FUNDS				
	Share Capital	**300,883**	300,883	**19,986,153**	19,047,398
	Reserves and Surplus	**3,326,403**	1,011,919	**220,956,319**	64,059,532
		3,627,286	1,312,802	**240,942,473**	83,106,931
	NON–CURRENT LIABILITIES				
	Long–term borrowings	**–**	–	**–**	–
	Deferred tax liabilities (Net)	**–**	–	**–**	–
	Other Long term liabilities	**–**	–	**–**	–
	Long term provisions	**–**	–	**–**	–
		–	–	**–**	–
	CURRENT LIABILITIES				
	Short–term borrowings	**2,103,150**	–	**139,701,739**	–
	Trade payables (including Acceptances)	**243,696**	329,327	**16,187,507**	20,848,046
	Other current liabilities	**–**	–	**–**	–
	Short–term provisions	**–**	–	**–**	–
		2,346,846	329,327	**155,889,246**	20,848,046
	Total	**5,974,132**	1,642,129	**396,831,718**	103,954,976
II.	**ASSETS**				
	NON–CURRENT ASSETS				
	Fixed assets				
	Tangible assets	**188,646**	232,339	**12,530,811**	14,708,220
	Intangible assets	**–**	–	**–**	–
	Capital work–in–progress	**–**	–	**–**	–
		188,646	232,339	**12,530,811**	14,708,220
	Non–current investments	**349,999**	199,999	**23,248,684**	12,660,937
	Deferred tax assets (net)	**–**	–	**–**	–
	Long term loans and advances	**–**	–	**–**	–
	Other non–current assets	**–**	–	**–**	–
		349,999	199,999	**23,248,684**	12,660,937
	CURRENT ASSETS				
	Current investments	**–**	–	**–**	–
	Inventories	**–**	–	**–**	–
	Trade receivables	**1,645,106**	916,732	**109,276,166**	58,033,719
	Cash and cash equivalents	**821,268**	293,059	**54,552,727**	18,552,100
	Short–term loans and advances	**2,969,113**	–	**197,223,331**	–
	Other current assets	**–**	–	**–**	–
		5,435,487	1,209,791	**361,052,224**	76,585,819
	Total	**5,974,132**	1,642,129	**396,831,718**	103,954,976

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD

	1–Jan–15 to 31–Dec–15 USD	1–Jan–14 to 31–Dec–14 USD	1–Jan–15 to 31–Dec–15 INR	1–Jan–14 to 31–Dec–14 INR
Revenue from operations	**3,455,740**	85,860	**226,811,317**	5,276,192
Less: Excise Duty, if any				
	3,455,740	85,860	**226,811,317**	5,276,192
Other Income	**1,914,428**	1,625,885	**125,650,104**	99,912,440
Total Revenue	**5,370,168**	1,711,745	**352,461,421**	105,188,632
Expenses:				
Cost of Purchases	**2,885,684**	85,140	**189,396,733**	5,231,948
Changes in inventories of finished goods, work–in–progress and Stock–in–Trade	**–**	–	**–**	–
Employee benefits expenses	**–**	30,886	**–**	1,897,979
Finance Costs	**–**	–	**–**	–
Depreciation and amortization expense	**43,098**	52,913	**2,828,628**	3,251,563
Other expenses	**57,698**	52,016	**3,786,911**	3,196,441
Total Expenses	**2,986,480**	220,955	**196,012,272**	13,577,930
Profit before tax	**2,383,688**	1,490,790	**156,449,149**	91,610,702
Tax expense:				
Current tax	**69,204**	–	**4,542,111**	–
Deferred tax Liability / (Asset)				
Profit / (Loss) from the period after Tax	**2,314,484**	1,490,790	**151,907,038**	91,610,702

STATEMENT OF CASHFLOWS FOR YEAR ENDED 31 DECEMBER 2015

	2015 USD	2014 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**2,383,688**	1,490,790
Adjustments for:		
Depreciation of property, plant and equipment	**43,097**	52,913
Dividend income	**(1,908,621)**	–
Loss on disposal	**596**	–
Operating profit before working capital changes	**518,760**	1,543,703
Working capital changes, excluding changes related to cash:		
Trade and other receivables	**(1,446,290)**	1,055,455
Trade and other payables	**2,099,284**	(9,181)
Cash generated from operations	**1,171,754**	2,589,977
Withholding tax paid	**(69,204)**	–
Net cash generated from operating activities	**1,102,550**	2,589,977
CASH FLOWS FROM INVESTING ACTIVITIES		
Amount due from immediate holding company – non–trade	**(1,317,505)**	1,950,502
Amount due from subsidiaries – non–trade	**(722,261)**	–
Dividend income	**1,697,190**	–
Investment in subsidiary	**(150,000)**	(49,999)
Net cash (used in)/generated from investing activities	**(492,576)**	1,900,503
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount due to subsidiary – non–trade	**(81,765)**	–
Dividends	**–**	(5,000,000)
Net cash used in financing activities	**(81,765)**	(5,000,000)
Net increase/(decrease) in cash and cash equivalents	**528,209**	(509,520)
Cash and cash equivalents at beginning of year	**293,059**	802,579
Cash and cash equivalents at end of year (Note 8)	**821,268**	293,059

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2015

	As at 31st December 2015 USD	As at 31st December 2014 USD	As at 31st December 2015 INR	As at 31st December 2014 INR
Share Capital				
Issued, subscribed and paid up:				
500,000 Common Shares fully paid–up of SGD 1 each	**300,883**	300,883	**19,986,153**	19,047,398
Total	**300,883**	300,883	**19,986,153**	19,047,398
Reserves and Surplus				
General Reserve				
Opening balance	**–**	–	**–**	–
Add: Transferred from Profit & Loss Account	**–**	–		
Closing Balance	**–**	–	**–**	–
Translation Reserve			**6,872,969**	1,883,220
Profit & Loss Account :				
Surplus – Opening Balance	**1,011,919**	4,521,129	**62,176,313**	277,821,166
Add : Net profit after tax transferred from Statement of Profit and L	**2,314,484**	1,490,790	**151,907,038**	91,610,702
Dividend Distribution Tax on Excess Provision of Dividend of Last Yea				
Amount available for appropriation	**3,326,403**	6,011,919	**214,083,350**	369,431,868
Appropriation :				
Final Dividend		5,000,000	**–**	307,255,556
Transfer to Debenture Redemption Reserve				
Surplus – Closing Balance	**3,326,403**	1,011,919	**214,083,350**	62,176,313
Total	**3,326,403**	1,011,919	**220,956,319**	64,059,532
Short Term Borrowings				
Due to related parties	**2,103,150**		**139,701,739**	–
Total	**2,103,150**	–	**139,701,739**	–
Trade Payables				
Trade Payables	**243,696**	329,327	**16,187,507**	20,848,046
Total	**243,696**	329,327	**16,187,507**	20,848,046
Non current Investments				
Non Current Investments	**349,999**	199,999	**23,248,684**	12,660,937
Total	**349,999**	199,999	**23,248,684**	12,660,937
Trade Receivables				
Debts outstanding for a period exceeding six months				
Unsecured				
Considered good	**–**	–	**–**	–
Considered doubtful	**–**	–	**–**	–
	–	–	**–**	–
Less: Provision for doubtful debts	**–**	–	**–**	–
	–	–	**–**	–
Other debts				
Unsecured				
Considered good	**1,645,106**	916,732	**109,276,166**	58,033,719
Considered doubtful	**–**	–	**–**	–
	1,645,106	916,732	**109,276,166**	58,033,719
Total	**1,645,106**	916,732	**109,276,166**	58,033,719
Cash and cash equivalents				
Balances with Banks				
Balance in current account with a Non–Scheduled Bank	**821,268**	293,059	**54,552,727**	18,552,100
Balances with Bank held as margin money	**–**	–	**–**	–
Total	**821,268**	293,059	**54,552,727**	18,552,100

	As at 31st December 2015 USD	As at 31st December 2014 USD	As at 31st December 2015 INR	As at 31st December 2014 INR
Short Term Loans and Advances				
Loans & Advances to related parties	**2,969,113**	–	**197,223,331**	–
Total	**2,969,113**	–	**197,223,331**	–
Revenue from Operations				
Sale of Services				
Telecom Services	**1,761,170**	85,860	**115,591,258**	5,276,192
Revenue from Turnkey Projects	**1,694,570**	–	**111,220,059**	–
Total	**3,455,740**	85,860	**226,811,317**	5,276,192
Other Income				
Dividend			**–**	–
– from investments in Subsidiary Companies	**1,908,622**	1,436,861	**125,268,981**	88,296,705
Other Non–Operating Income	**5,807**	189,024	**381,122**	11,615,735
Total	**1,914,428**	1,625,885	**125,650,104**	99,912,440
Purchase of Stock in Trade				
Telecom Products	**639,764**	–	**41,989,771**	–
Total of Purchase of Stock in Trade	**639,764**	–	**41,989,771**	–
Purchase of Material (Non – trade) & Services				
Sub Contractor Charges	**2,245,920**	85,140	**147,406,961**	5,231,948
Total of Purchase of Material (Non – trade) & Services	**2,245,920**	85,140	**147,406,961**	5,231,948
Total of Purchases	**2,885,684**	85,140	**189,396,733**	5,231,948
Employee Benefit Expense				
Salaries	**–**	23,560	**–**	1,447,788
Staff Welfare Expenses	**–**	7,326	**–**	450,191
Total	**–**	30,886	**–**	1,897,979
Other Expenses				
Communication Expenses	**4,598**	4,229	**301,763**	259,877
Rent	**–**	10,973	**–**	674,303
Legal and Professional Fees	**6,598**	6,785	**433,039**	416,946
Travelling & Conveyance Expenses	**1,456**	5,209	**95,549**	320,099
Director's Sitting Fees	**24,007**	14,130	**1,575,645**	868,304
Auditor's Remuneration	**5,000**	7,000	**328,166**	430,158
Repairs & Maintenance – Others	**–**	2,093	**–**	128,617
Provision for Doubtful Debts & Advances	**651**	–	**42,757**	–
Net (Gain)/Loss on Foreign Currency Transactions	**–**	172	**–**	10,570
Other Expenses	**15,388**	1,425	**1,009,992**	87,568
Extraordinary Expenditure (to be identified seperately)	**–**	–	**–**	–
Total	**57,698**	52,016	**3,786,911**	3,196,441
Tax Expense				
Current Tax	**69,204**	–	**4,542,111**	–
Total	**69,204**	–	**4,542,111**	–

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2015

These notes form an integral part of and should be read in 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 78 Shenton Way #26–02A, Singapore 079120.

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 GTL 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 2015 were authorised for issue in accordance with a resolution of the Directors on 7 March 2016.

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 20.

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2015. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

The adoption of the above FRSs did not result in substantial changes to the Company's accounting policies.

The Company has not applied any new standard or interpretation that has been issued but is not yet effective. The new standards that have been issued and not yet effective do not have any impact on the results of current or prior years.

2.1 Plant And Equipment

2.1.1 Measurement

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

2.1.2 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.

2.1.3 Depreciation

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

	Years
Computers	5

The useful lives of plant and equipment are reviewed and adjusted as appropriate at each statement of financial position 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.

2.2.4 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.

2.2.5 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.

2.3 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.

Consolidated financial statements have not been prepared as the Company is itself a wholly–owned subsidiary of GTL International Limited, incorporated in Bermuda. The ultimate holding company, GTL Limited, a company incorporated in India produces consolidated financial statements that are available for public use and its registered office is at GTL Limited, Global Vision, Electronic Sadan II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai – 400710, India.

2.4 Impairment Of Non–Financial Assets

2.4.1 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.

2.4.2 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.

2.5 Financial Assets

2.5.1 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.

2.5.2 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.

(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.

2.5.3 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.

2.6 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.

2.6.1 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.

2.6.2 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.

2.6.3 Available–For–Sale Financial Assets

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

(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; and

(iii) 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.

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.

1.7 Financial Liabilities

1.7.1 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.

1.7.2 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.

1.7.3 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.

1.8 Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

For raw material, cost comprises of raw material purchase cost. For finished goods and work–in–progress, cost comprises of raw material cost, direct labour cost and a proportion of production overheads based on normal operating capacity but excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write–down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write–down or loss occurs. The amount of any reversal of any write–down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.9 Foreign Currency

1.9.1 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, which is the Company's functional and presentation currency.

1.9.2 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 the statement of financial position 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:

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

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

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

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

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

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

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.

1.12 Fair Value Estimation

The fair values of financial instruments traded in active markets are based on quoted market prices at the statement of financial position 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 statement of financial position 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.

1.12 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.

1.13 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 statement of financial position 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.

1.14 Leases

1.14.1 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.

1.14.2 Finance 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.

1.15 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.

1.16 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.

1.17 Revenue Recognition

Provided it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the statement of comprehensive incomes as follows:

1.17.1 Sale Of Goods

Revenue is recognised when goods are delivered at the customers' premise which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes goods and services or other sales taxes and is after deduction of any trade discounts.

1.17.2 Rendering of Service

Revenue is recognised when the services have been performed and rendered.

2.17.3 Dividend income

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

1.18 Employee Benefits

1.18.1 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, and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company's contribution to defined contribution plans are recognised in the financial year to which they relate.

1.18.2 Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to statement of financial position date.

1.19 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 statement of financial position 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 statement of financial position date; and

(ii) the tax consequence that would follow from the manner in which the Company expects, at the statement of financial position 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.

1.20 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.

3. PLANT AND EQUIPMENT

2015	Computers	Total
Cost	**US$**	**US$**
At beginning of year	**821,324**	**821,324**
Disposal	**(1,773)**	**(1,773)**
At end of year	**819,551**	**819,551**
Accumulated Depreciation		
At beginning of year	**588,985**	**588,985**
Depreciation	**43,097**	**43,097**
Disposal	**(1,177)**	**(1,177)**
At end of year	**630,905**	**630,905**
Carrying Amount		
At end of year	**188,646**	**188,646**

2014	Computers	Total
Cost	US$	US$
At beginning and end of year	821,324	821,324
Accumulated Depreciation		
At beginning of year	536,072	536,072
Depreciation	52,913	52,913
At end of year	588,985	588,985
Carrying Amount		
At end of year	232,339	232,339

3 INVESTMENT IN SUBSIDIARIES

	2015 US$	2014 US$
Unquoted shares, at cost	**424,999**	375,000
Add: Additions during the year	**150,000**	49,999
	574,999	424,999
Less: Provision for impairment		
Balance at beginning and end of year	**(225,000)**	(225,000)
	349,999	199,999

Details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2015	2014
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	–

As at the statement of financial position date, investments in PT. iGTL Solutions Indonesia have been fully impaired.

Audited by Gatot Victor, Indonesia

* Audited by Joshi & Bhandary, Nepal

^ Audited by Win Thin & Associates, Myanmar

4 TRADE AND OTHER RECEIVABLES

	2015 US$	**2014 US$**
Trade receivables (Note 6)	**1,645,106**	198,816
Other receivables (Note 7)	**2,969,113**	717,916
	4,614,219	916,732

The carrying amounts of trade and other receivables approximate their fair values and are denominated in the following currencies:

	2015 US$	**2014 US$**
Nepalese Rupee	**211,431**	–
United States Dollar	**4,402,788**	916,732
	4,614,219	916,732

5 TRADE RECEIVABLES

	2015 US$	**2014 US$**
Trade receivables	**123,041**	81,899
Amount due from ultimate holding company	**–**	55
Amount due from subsidiaries	**1,522,065**	172,261
	1,645,106	254,215
Less: Allowance for doubtful debts		
Balance at beginning of year	**(55,399)**	(55,399)
Written off	**55,399**	–
Balance at end of year	**–**	(55,399)
	1,645,106	198,816

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.

6 TRADE RECEIVABLES – CONT'D

The maximum exposure of credit risk for trade receivables at the reporting date is US$1,645,106 (2014: US$198,816).

The aging of trade receivables at the reporting date is:

	Gross 2015 US$	Impairment losses 2015 US$	Gross 2014 US$	Impairment losses 2014 US$
Current	**1,450,750**	**–**	–	–
Past due 1 – 30 days	**41,341**	**–**	48,760	–
Past due 31 – 120 days	**–**	**–**	150,000	–
Over 120 days	**153,015**	**–**	55,455	55,399
	1,645,106	**–**	254,215	55,399

7 OTHER RECEIVABLES

	2015 US$	2014 US$
Amount due from immediate holding company	**2,035,421**	717,916
Amount due from subsidiaries	**722,261**	–
Dividend receivable	**211,431**	–
	2,969,113	717,916

The non–trade portion of the amount due from immediate holding company, subsidiary and related companies are unsecured, non–interest bearing and repayable on demand.

8 CASH AND CASH EQUIVALENTS

Cash and bank balances	2015 US$	2014 US$
	821,268	293,059

Cash at bank earns interest at floating rates based on daily bank deposit rates.

The carrying amounts of cash and cash equivalents approximate their fair values and are denominated in the following currencies:

	2015 US$	2014 US$
Singapore Dollar	**57,250**	107,750
United States Dollar	**764,018**	185,309
	821,268	293,059

9 TRADE AND OTHER PAYABLES

	2015 US$	2014 US$
Trade payables	**235,474**	99,450
Amount due to related party – trade	**2,103,150**	–
Accruals	**5,001**	7,001
Amount due to ultimate company – non–trade	**3,221**	3,221
Amount due to subsidiary – non–trade	**–**	81,765
Security deposit from customers	**–**	137,890
	2,346,846	329,327

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:

	2015 US$	2014 US$
Singapore Dollar	**10,122**	22,386
United States Dollar	**2,336,724**	306,941
	2,346,846	329,327

10 SHARE CAPITAL

	2015		2014	
	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

Revenue represents the sales value of goods supplied to customers and revenue from servicing. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2015 US$	2014 US$
Service income	**1,761,170**	63,600
Turnkey product sale	**1,694,570**	22,260
	3,455,740	85,860

12 OTHER INCOME

	2015 US$	2014 US$
Dividend income	**1,908,621**	1,436,861
Foreign exchange gain	**5,807**	–
Sundry income	**–**	2,211
Provision written back	**–**	186,813
	1,914,428	1,625,885

13 STAFF COSTS

	2015	2014
Staff costs	US$	US$
Salaries, bonus and other related costs	–	18,245
Defined contribution pension costs	–	5,315
	–	23,560

14 OTHER OPERATING EXPENSES

Other operating expenses include:

	2015 US$	2014 US$
Exchange loss, net	–	172
Legal and professional fee	6,598	–
Office expense	–	6,599
Postage and courier	4,598	2,434
Rental of office premises	–	10,973
Subscription fee	13,241	–

15 TAXATION

Major components of income tax expense are as follows:

	2015 US$	2014 US$
Current year taxation	–	–
Foreign tax	69,204	–
	69,204	–

A reconciliation between the tax expense and the product of accounting profit and loss multiplied by the applicable tax rate are as follows:

	2015 US$	2014 US$
Profit before taxation	2,383,688	1,490,790
Income tax on profit before tax at 17%	405,227	253,434
Adjustments:		
Non–deductible expenses	7,428	8,826
Income not subjected to tax	(324,466)	(750)
Utilisation of capital allowances	(88,189)	(243,602)
Unutilised tax losses	–	(17,908)
Withholding tax	69,204	–
Tax expense	69,204	–

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:

	2015 US$	2014 US$
Differences in tax written down value and net book value of plant and equipment	(32,171)	(39,498)
Unutilised capital allowances	144,529	–
Unutilised tax losses	232,639	166,010
	344,997	126,512

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.

16 SIGNIFICANT RELATED PARTIES TRANSACTIONS

Significant related parties transactions on terms agreed between the Company and its related parties are as follows:

	2015 US$	2014 US$
Holding company		
Expenses paid on behalf and reimbursed from		
related parties	–	416,510
Expenses transferred to	503,189	–
Funds provided to	348,851	–
Subsidiary		
Services rendered to	1,977,270	–
Funds provided to	94,796	–
Related company		
Services rendered from	2,245,920	–
Funds provided to	465,465	–

Balances with related parties at the statement of financial position date are set out in Note 6, 7 and 9.

Key management personnel compensation for the financial year is as follows:

	2015 US$	2014 US$
Directors of the Company:		
Salaries, bonus and other related costs	–	6,917
CPF contributions	–	2,231
Directors' fees	24,007	–
Other short–terms benefits	–	7,182
	24,007	16,330

17 OPERATING LEASE COMMITMENTS

Rental expenses for the year ended 31 December 2015 are Nil (2014: US$14,347). The lease was terminated on 31 March 2014.

18 DIVIDEND

Declared and paid during the financial year:

	2015 US$	2014 US$
Dividend on ordinary shares :		
– Tax exempt (one–tier) interim dividend for the financial year 31 December 2014 at US$10 per share	–	5,000,000

19 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:

	2015	2014
Financial assets	**US$**	**US$**
Loans and receivables:		
Trade and other receivables	4,614,219	916,732
Cash and cash equivalents	821,268	293,059
	5,435,487	1,209,791
Financial liabilities		
Financial liabilities measured at amortised cost:		
Trade and other payables	2,346,846	329,327

Financial Risk Management Objectives and Policies

The main risks arising from the Company's financial instruments are credit, foreign currency, interest rate and liquidity risks. 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).

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 favourable exchange rates.

The Company's exposure to foreign currency is as follows:

	Nepalese Rupee US$	Singapore Dollar US$
2015		
Trade and other receivables	**211,431**	**–**
Cash and cash equivalents	**–**	**57,250**
Trade and other payables	**–**	**(10,122)**
	211,431	**47,128**
2014		
Trade and other receivables	–	–
Cash and cash equivalents	–	107,750
Trade and other payables	–	(22,386)
	–	85,364

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$
2015	
Nepalese Rupee	(10,572)
Singapore Dollar	(2,536)
	(13,108)
2014	
Singapore Dollar	(4,268)

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.

2015	Within 1 year US$	Within 2 to 5 years US$	More than 5 years US$	Total US$
Financial Assets				
Trade and other receivables	**4,614,219**	**–**	**–**	**4,614,219**
Cash and cash equivalents	**821,268**	**–**	**–**	**821,268**
Total undiscounted financial assets	**5,435,487**	**–**	**–**	**5,435,487**
Financial liabilities				
Trade and other payables	**2,346,846**	**–**	**–**	**2,346,846**
Total undiscounted financial liabilities	**2,346,846**	**–**	**–**	**2,346,846**
Total net undiscounted financial assets	**3,088,641**	**–**	**–**	**3,088,641**
2014				
Financial Assets				
Trade and other receivables	916,732	–	–	916,732
Cash and cash equivalents	293,059	–	–	293,059
Total undiscounted financial assets	1,209,791	–	–	1,209,791
Financial liabilities				
Trade and other payables	329,327	–	–	329,327
Total undiscounted financial liabilities	329,327	–	–	329,327
Total net undis–counted financial assets	880,464	–	–	880,464

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

20 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.

Allowance for Doubtful Debts

Allowance for bad and doubtful debts are based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The indication of bad and doubtful debts requires the use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimates has been changed.

Estimated Useful life for Plant and Equipment

Estimated useful life for plant and equipment is based on the Company's assessment of the expected usage of the asset and expect wear and tear of the asset. The depreciation is charged against the fixed assets to show utilisation of the assets. The estimation of depreciation and useful life requires use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact carrying value of plant and equipment and depreciation expenses in the period in which such estimates has been changed.

Depreciation of plant and equipment

Plant, property and equipment are depreciated on a straight–line basis over their estimated useful lives. Management estimates the useful lives of plant, property and equipment to be 5 years. The carrying amount of the Company's plant, property and equipment as at 31 December 2015 is US$188,646 (2014: US$232,339). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual lives of these assets, therefore future depreciation charges could be revised.

21 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 2015 and 31 December 2014.

The Company will continue to be guided by prudent financial policies of which gearing is an important aspects. 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.

	2015 US$	**2014 US$**
Net debts	**1,525,578**	36,268
Total equity	**3,627,286**	1,312,802
Total capital	**5,152,864**	1,349,070
Gearing ratio	**0.30**	0.03

The Company does not have any externally imposed capital requirements for the financial year ended 31 December 2015 and 31 December 2014.

DIRECTORS' REPORT

The Directors present their annual report together with the financial statements of GTL Overseas (Middle East) DMCC (the "Company") for the year ended 31 December 2015.

Principal activities

The Company is engaged in the business of rendering telecommunication services.

Business review

The Company achieved revenue of AED 14.28 million as compared to AED 4.82 million in the previous period. In the current year, the Company earned a revenue of AED 3.5 million pertaining to the work done in the previous period. As a result, the gross profit margin of 35% was earned in the current year as compared to a gross loss situation in the previous period. The overhead expenses amounted to AED 3.79 million as compared to AED 8.42 million in the previous period.

The Company has made a profit of AED 1,501,180 for the year.

Directors' responsibilities in respect of financial statements

The Directors are responsible to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flow 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;

– comply with the requirements of the applicable provisions of the Regulations No. 1/03 issued by Dubai Multi Commodities Centre Authority or the Memorandum of Association of the Company, and

– prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the 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 Company. 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.

Events after the end of the reporting period

There have been no material events after the reporting date that would affect the financial position of the Company.

Holding company

Detail of the present shareholding of the Company at the end of the year was as follows:

Name of Shareholder	Country of Incorporation	Number of shares	Percentage holding
GTL International Limited	Bermuda	50	100%

Auditors

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

Approved on behalf of the Board of the Directors on 28 January 2016 and signed on its behalf by:

Vipulkumar Patel
Director

Pinakin Gandhi
Director

INDEPENDENT AUDITORS' REPORT

To the Shareholder of GTL Overseas (Middle East) DMCC

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 2015 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 5 to 19.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the requirements of the applicable provisions of the Regulations No. 1/03 issued by Dubai Multi Commodities Centre Authority or the Memorandum 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.

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 International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 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 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 present fairly, in all material respects, the financial position of GTL Overseas (Middle East) DMCC, as of 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

As required by the Regulations No. 1/03 issued by Dubai Multi Commodities Centre Authority, 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 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 21 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 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 2015.

Emphasis of Matter

We wish to draw attention to Note 2 (c) to the financial statements, which states that although as at the end of the reporting period the Company had accumulated losses of AED 8,194,703, these financial statements have been prepared on a going concern basis as the Parent company has confirmed its willingness to continue with the business operations of the Company and it as well as the Group companies have agreed to provide their continuing financial support to the Company to enable it to meet its payment obligations as and when they fall due.

Our opinion is not qualified in respect of these matters.

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

Dubai, United Arab Emirates
28 January 2016

BALANCE SHEET AS AT 31ST DECEMBER, 2015

		As at 31st December 2015 AED	As at 31st December 2014 AED	As at 31st December 2015 INR	As at 31st December 2014 INR
I.	**EQUITY AND LIABILITIES**				
	SHAREHOLDER'S FUNDS				
	Share Capital	**50,000**	50,000	**909,932**	867,192
	Reserves and Surplus	**(8,194,703)**	(9,695,883)	**(149,132,369)**	(168,163,801)
		(8,144,703)	(9,645,883)	**(148,222,437)**	(167,296,609)
	NON–CURRENT LIABILITIES				
	Long–term borrowings	**–**	–	**–**	–
	Deferred tax liabilities (Net)	**–**	–	**–**	–
	Other Long term liabilities	**–**	–	**–**	–
	Long term provisions	**46,026**	43,825	**837,610**	760,094
		46,026	43,825	**837,610**	760,094
	CURRENT LIABILITIES				
	Short–term borrowings	**23,037,391**	20,751,977	**419,248,958**	359,918,878
	Trade payables (including Acceptances)	**818,871**	1,102,361	**14,902,330**	19,119,168
	Other current liabilities	**–**	–	**–**	–
	Short–term provisions	**448,215**	2,398,945	**8,156,899**	41,606,908
		24,304,477	24,253,283	**442,308,188**	420,644,954
	Total	**16,205,800**	14,651,225	**294,923,360**	254,108,438
II.	**ASSETS**				
	NON–CURRENT ASSETS				
	Fixed assets				
	Tangible assets	**270,846**	78,793	**4,929,026**	1,366,573
	Intangible assets	**–**	–	**–**	–
	Capital work–in–progress	**–**	–	**–**	–
		270,846	78,793	**4,929,026**	1,366,573
	Non–current investments	**–**	–	**–**	–
	Deferred tax assets (net)	**–**	–	**–**	–
	Long term loans and advances	**21,000**	21,000	**382,171**	364,221
	Other non–current assets	**–**	–	**–**	–
		21,000	21,000	**382,171**	364,221
	CURRENT ASSETS				
	Current investments	**–**	–	**–**	–
	Inventories	**–**	84,135	**–**	1,459,224
	Trade receivables	**7,782,371**	4,901,537	**141,628,491**	85,011,452
	Cash and cash equivalents	**978,592**	628,532	**17,809,034**	10,901,156
	Short–term loans and advances	**7,121,441**	8,937,228	**129,600,471**	155,005,813
	Other current assets	**31,550**	–	**574,167**	–
		15,913,954	14,551,432	**289,612,163**	252,377,645
	Total	**16,205,800**	14,651,225	**294,923,360**	254,108,438

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD

	1–Jan–15 to 31–Dec–15	30–Mar–14 to 31–Dec–14	1–Jan–15 to 31–Dec–15	30–Mar–14 to 31–Dec–14
	AED	AED	**INR**	INR
Revenue from operations	**14,276,738**	4,823,751	**256,720,087**	81,212,290
Other Income	**279,684**	8,908	**5,029,195**	149,974
Total Revenue	**14,556,422**	4,832,659	**261,749,282**	81,362,264
Expenses:				
Cost of Purchases	**9,185,309**	6,111,659	**165,167,514**	102,895,407
Changes in inventories of finished goods, work–in–progress and Stock–in–Trade	**84,135**	–	**1,512,891**	–
Employee benefits expenses	**1,231,540**	927,846	**22,145,189**	15,621,142
Finance Costs	**–**	–	**–**	–
Depreciation and amortization expense	**125,597**	29,940	**2,258,448**	504,067
Other expenses	**2,428,661**	7,459,097	**43,671,465**	125,580,767
Total Expenses	**13,055,242**	14,528,542	**234,755,507**	244,601,383
Profit before exceptional and extraordinary items and tax	**1,501,180**	(9,695,883)	**26,993,775**	(163,239,119)
Exceptional Items	**–**	–	**–**	–
Profit before extraordinary items and tax	**1,501,180**	(9,695,883)	**26,993,775**	(163,239,119)
Extraordinary Items	**–**	–	**–**	–
Profit before tax	**1,501,180**	(9,695,883)	**26,993,775**	(163,239,119)
Tax expense:				
Current tax	**–**	–	**–**	–
Deferred tax Liability / (Asset)	**–**	–	**–**	–
Profit / (Loss) from the period after Tax	**1,501,180**	(9,695,883)	**26,993,775**	(163,239,119)

STATEMENT OF CASH FLOW AS AT DECEMBER 31, 2015

	Note	2015 AED	2014 (10 months) {Note 23 (a)} AED
Cash flows from operating activities			
Profit/(loss) for the year/period		1,501,180	(9,695,883)
Adjustments for:			
Provision for slow–moving inventories	6	84,135	–
Gain on disposal of property and equipment	7	(46,400)	–
Excess provision written back	7	(228,184)	–
Depreciation of property and equipment	9	125,596	29,940
Bad debts written off	11	–	5,263,193
Operating profit/(loss) before changes in operating assets and liabilities		1,436,327	(4,402,750)
Increase in trade and other receivables		(12,970,469)	(926,490)
Decrease/(increase) in prepayments		277,344	(135,354)
Decrease in trade and other payables		(2,006,036)	(2,451,245)
Increase/(decrease) in staff end–of–service gratuity provision (net)		2,201	(26,355)
Net cash used in operating activities (A)		(13,260,633)	(7,942,194)
Cash flows from investing activities			
Purchase of property and equipment	12	(317,649)	(33,672)
Proceeds from disposal of property and equipments	12 & 15	14,850	–
Deposits placed during the year/period		–	(21,000)
Net cash used in investing activities (B)		(302,799)	(54,672)
Cash flows from financing activities			
Share capital introduced		–	50,000
Receipts from the Parent company	18	6,705,229	3,282,581
Receipts from related parties (net)		7,208,263	5,292,817
Net cash from financing activities (C)		13,913,492	8,625,398
Net increase in cash and cash equivalents (A+B+C)		350,060	628,532
Cash and cash equivalents at beginning of the year/period		628,532	–
Cash and cash equivalents at end of the year/period	16	978,592	628,532

The accompanying notes on pages 9 to 19 form an integral part of these financial statements.

The Independent Auditor’s report is set forth on pages 3 & 4.

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2014

	As at 31–Dec–15 AED	As at 31–Dec–14 AED	**As at 31–Dec–15 INR**	As at 31–Dec–14 INR
Share Capital				
Issued, subscribed and paid up:				
50 Common Shares fully paid–up of AED 1,000 each	**50,000**	50,000	**909,932**	867,192
Redeemable Preference Shares	**–**	–	**–**	–
Total	**50,000**	50,000	**909,932**	867,192
Reserves and Surplus				
Capital Reserve				
Opening balance	**–**	–	**–**	–
Add: Transferred from Profit & Loss Account	**–**	–	**–**	–
Closing Balance	**–**	–	**–**	–
Translation Reserve	**–**	–	**(12,887,026)**	(4,924,682)
Profit & Loss Account :				
Surplus – Opening Balance	**(9,695,883)**	–	**(163,239,119)**	–
Add : Net profit after tax transferred from Statement of Profit and Loss Account	**1,501,180**	(9,695,883)	**26,993,775**	(163,239,119)
Amount available for appropriation	**(8,194,703)**	(9,695,883)	**(136,245,343)**	(163,239,119)
Appropriation :				
Final Dividend	**–**	–	**–**	–
Surplus – Closing Balance	**(8,194,703)**	(9,695,883)	**(136,245,343)**	(163,239,119)
Total	**(8,194,703)**	(9,695,883)	**(149,132,369)**	(168,163,801)
Long Term Provisions				
Provision for employee benefits				
Provision for Gratuity	**46,026**	43,825	**837,610**	760,094
Total	**46,026**	43,825	**837,610**	760,094
Short Term Borrowings				
Due to related parties	**23,037,391**	20,751,977	**419,248,958**	359,918,878
Other loans and advances				
Total	**23,037,391**	20,751,977	**419,248,958**	359,918,878
Trade Payables				
Trade Payables	**818,871**	1,102,361	**14,902,330**	19,119,168
Acceptances	**–**	–	**–**	–
Others	**–**	–	**–**	–
Total	**818,871**	1,102,361	**14,902,330**	19,119,168

	As at 31–Dec–15 AED	As at 31–Dec–14 AED	As at 31–Dec–15 INR	As at 31–Dec–14 INR
Other Current Liabilities				
Provision for Expenses	**215,547**	1,693,629	**3,922,660**	29,374,023
Accrued salaries & benefits	**94,155**	549,396	**1,713,492**	9,528,634
Advance from Customers	**3,513**	20,920	**63,932**	362,833
Other Liabilities	**135,000**	135,000	**2,456,815**	2,341,418
Total	**448,215**	2,398,945	**8,156,899**	41,606,908
Long term loans and advances				
Security Deposits	**21,000**	21,000	**382,171**	364,221
Total	**21,000**	21,000	**382,171**	364,221
Inventories				
Inventories : (at lower of cost and net realizable value)				
Finished Goods (other than acquired for trading)	**–**	84,135	**–**	1,459,224
Total	**–**	84,135	**–**	1,459,224
Trade Receivables				
Debts outstanding for a period exceeding six months				
Unsecured				
Considered good	**1,487,166**	2,994,013	**27,064,384**	51,927,669
Considered doubtful	**–**	–	**–**	–
	1,487,166	2,994,013	**27,064,384**	51,927,669
Less: Provision for doubtful debts	**–**	–	**–**	–
	1,487,166	2,994,013	**27,064,384**	51,927,669
Other debts				
Unsecured				
Considered good	**6,295,205**	1,907,524	**114,564,107**	33,083,783
Considered doubtful	**–**	–	**–**	–
	6,295,205	1,907,524	**114,564,107**	33,083,783
Total	**7,782,371**	4,901,537	**141,628,491**	85,011,452
Cash and cash equivalents				
Balances with Banks				
Balance in current account with a Non–Scheduled Bank	**960,710**	591,802	**17,483,606**	10,264,117
Cash on Hand	**17,882**	36,730	**325,428**	637,039
Total	**978,592**	628,532	**17,809,034**	10,901,156

	As at 31–Dec–15 AED	As at 31–Dec–14 AED	**As at 31–Dec–15 INR**	As at 31–Dec–14 INR
Short Term Loans and Advances				
Deposits	**1,652,500**	336,828	**30,073,236**	5,841,889
Prepaid Expenses	**92,681**	370,025	**1,686,667**	6,417,653
Advance to Suppliers	**3,118,930**	16,384	**56,760,253**	284,161
Loans & Advances to employees	**11,929**	180,512	**217,091**	3,130,770
Advance to related parties:				
Unsecured, considered good	**2,245,401**	8,033,479	**40,863,222**	139,331,339
Total	**7,121,441**	8,937,228	**129,600,471**	155,005,813
Other Current Assets				
Others	**31,550**	–	**574,167**	–
Total	**31,550**	–	**574,167**	–

	1-Jan-15 to 31-Dec-15 AED	30-Mar-14 to 31-Dec-14 AED	1-Jan-15 to 31-Dec-15 INR	30-Mar-14 to 31-Dec-14 INR
Revenue from Operations				
Sale of Services				
Telecom Services	**14,276,738**	4,823,751	**256,720,087**	81,212,290
Total	**14,276,738**	4,823,751	**256,720,087**	81,212,290
Other Income				
Profit on sale of fixed assets	**46,400**		**834,351**	–
Other Non-Operating Income	**233,284**	8,908	**4,194,844**	149,974
Total	**279,684**	8,908	**5,029,195**	149,974
Purchase of Material (Non – trade) & Services				
Sub Contractor Charges	**7,572,738**	4,592,195	**136,170,739**	77,313,832
Vehicle Hire Charges – Projects	**1,612,571**	1,519,464	**28,996,776**	25,581,576
Total of Purchase of Material (Non – trade) & Services	**9,185,309**	6,111,659	**165,167,514**	102,895,407
Total of Purchases	**9,185,309**	6,111,659	**165,167,514**	102,895,407
Changes in inventories of finished goods, work-in-progress and Stock-in- trade				
Decrease / (Increase) in Inventory				
Stock in trade	**84,135**	–	**1,512,891**	–
Total	**84,135**	–	**1,512,891**	–
Employee Benefit Expense				
Salaries	**1,080,932**	730,549	**19,437,000**	12,299,465
Contribution to Provident and Other Funds	**37,181**	21,039	**668,578**	354,211
Staff Welfare Expenses	**113,427**	176,258	**2,039,611**	2,967,466
Total	**1,231,540**	927,846	**22,145,189**	15,621,142
Other Expenses				
Communication Expenses	**103,329**	89,273	**1,858,032**	1,502,993
Business Promotion Expenses	**85,500**	163,638	**1,537,436**	2,754,996
Discounts & Commission	**–**	11,100	**–**	186,879
Rent	**807,174**	303,287	**14,514,365**	5,106,116
Electricity Charges	**10,336**	3,930	**185,859**	66,165
Insurance	**15,664**	22,173	**281,665**	373,303
Legal and Professional Fees	**295,916**	372,019	**5,321,074**	6,263,282
Travelling & Conveyance Expenses	**89,008**	57,478	**1,600,516**	967,695
Repairs & Maintenance – Others	**61,187**	18,506	**1,100,247**	311,566
Net (Gain)/Loss on Foreign Currency Transactions	**181,381**	–	**3,261,540**	–
Other Expenses	**779,166**	6,417,693	**14,010,733**	108,047,771
Total	**2,428,661**	7,459,097	**43,671,465**	125,580,767

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

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 Office No. 2405, Mazaya Business Avenue, Plot No. BB1, Jumeirah Lakes Towers, Dubai, UAE.

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) In the previous period, the Company acquired assets and liabilities as at 31 May 2014 at their book values and the business operations of the GTL Overseas Middle East FZ–LLC (Fellow subsidiary), a limited liability company registered in Dubai Internet City, Dubai, UAE, as follows:

		AED
Assets:		
Property, plant and equipment (net) – (Note 12)		75,061
Inventories (Note 14)		84,135
Trade receivables		9,197,999
Staff and other advances		284,681
Deposits		289,284
Dues from related parties		13,607,588
Prepayments		234,671
Total	(A)	23,773,419
Liabilities:		
Dues to related parties		1,552,496
Provision for staff end–of–service gratuity (Note 18)		70,180
Trade payables		4,205,324
Accrued expenses		1,747,227
Total	(B)	7,575,227
Net assets acquired (Note 21)	(A–B)	16,198,192

2 Basis of preparation

a) **Statement of compliance**

These 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) and the requirements of the applicable provisions of the Regulations No. 1/03 issued by Dubai Multi Commodities Centre Authority.

b) **Presentation currency**

These financial statements have been presented in UAE Dirham (AED), being the currency of the primary economic environment in which is the Company operates.

The figures have been rounded off to the nearest UAE Dirham.

c) **Going concern**

At the end of the period, the Company had accumulated losses of AED 8,194,703. However, the Parent company has confirmed its intention to continue with the operations of the Company and it as well as the Group companies have undertaken to provide their continuing financial support to the Company to meet is payment obligations as and when they fall due for payment. Accordingly, the financial statements have been prepared on a going concern basis.

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**

i) **Applicable from the current year**

– Annual improvements to IFRs 2010–2012 and 2011–2013 cycles (Effective date: 1 July 2014).

– Various clarifications were issued by IASB in December 2013 in respect of IFRS 1 which confirms that first–time adopters of AASs can adopt standards that are not yet mandatory and in respect of IFRS 2, 3, 8, 13, 16, 24, 38 & 40 – None of these are applicable to the Company.

– Defined Benefit Plans: Employee Contributions (Amendment to IAS 19) – (Effective date: 1 July 2014) – Not applicable to the Company.

– IFRS 9 (as revised in 2010) – 'Financial Instruments' – This new standard is ultimately intended to replace IAS 39 in its entirety in three phases: Phase 1 – Classification and measurement of financial assets and financial liabilities; Phase 2 – Impairment methodology and Phase 3 – Hedge accounting. The standard establishes two categories for financial assets i.e. amortized cost and fair value.

ii) **Forthcoming requirements available for early adoption**

Effective date: 1 July 2016

– Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41) – These amendments require a bearer plant, defined as a living plant, to be accounted for as property, plant and equipment and included in the scope of IAS 16 – Property, Plant and Equipment, instead of IAS 41 – Agriculture. – Not applicable to the Company.

– IFRS 14 – Regulatory Deferral Accounts – No such items.

– Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11) – Not applicable to the Company.

– Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 41).

– Equity method in separate financial statements – Amendments to IAS 27.

– Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28.

Effective date: 1 January 2017

– IFRS 15 – Revenue from Contracts with Customers – This establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 – revenue, IAS 11 – Construction Contracts and IFIRC 13 – Customer Loyalty Programmes.

Effective date: 1 January 2018

– 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 – Not relevant to the Company.

The Company has not early–adopted these standards in the current year.

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.

– **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 less estimated residual value, where material, is depreciated using the straight–line method from the date of acquisition to the estimated useful lives of furniture, fixtures and office equipments for 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 19).

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***

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, payables and accruals and related party payables.

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 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 15 (a)}, dues from related parties (Note 21) and cash and bank (Note 16).

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 15 (b)} and bank balances (Note 16).

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 14,554,798 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

	2015	2014 (10 months) {Note 23 (a)}
	AED	AED
Direct turnkey project expenses	**3,878,117**	1,723,571
Provision for slow–moving inventories (Note 14)	**84,135**	–
Direct labour costs (Note 10)	**3,694,621**	2,868,624
Vehicle rental charges	**1,612,571**	1,519,464
	9,269,444	6,111,659

7. Other income

	2015	2014 (10 months) {Note 23 (a)}
	AED	AED
Excess provision written back	**228,184**	–
Gain on disposal of property and equipment	**46,400**	–
Foreign exchange gains (net)	**–**	7,908
Miscellaneous income	**5,100**	1,000
	279,684	8,908

8. Selling expenses

	2015 AED	2014 (10 months) {Note 23 (a)} AED
Staff salaries and benefits (Note 10)	**492,616**	366,555
Business promotion expenses	**85,500**	163,638
Commission expenses	**–**	11,100
	578,116	541,293

9. Administrative expenses

	2015 AED	2014 (10 months) {Note 23 (a)} AED
Staff salaries and benefits (Note 10)	**738,924**	561,291
Rent	**807,174**	303,287
Depreciation of property and equipment (Note 12)	**125,596**	29,940
Communication expenses	**103,329**	89,273
Group administrative overhead expenses (allocated) – (Note 21)	**84,567**	781,286
Other administrative expenses	**1,166,711**	847,320
	3,026,301	2,612,397

10. Staff costs

	2015 AED	2014 (10 months) {Note 23 (a)} AED
Staff salaries and benefits	**4,888,980**	3,752,645
Staff end–of–service gratuity (Note 19)	**37,181**	43,825
	4,926,161	3,796,470
Included under:		
Cost of revenue (Note 6)	**3,694,621**	2,868,624
Selling expenses (Note 8)	**492,616**	366,555
Administrative expenses (Note 9)	**738,924**	561,291
	4,926,161	3,796,470

11. Other operating expenses

	2015 AED	2014 (10 months) {Note 23 (a)} AED
Foreign exchange losses (net)	**181,381**	–
Bad debts written off	**–**	5,263,193
	181,381	5,263,193

12. Property and equipment (Furniture, fixtures and office equipment)

Net book values	
As at 31 December 2015	
Cost	**367,354**
Accumulated depreciation	**(96,508)**
Net book value	**270,846**
Net book values	
As at 31 December 2014	
Cost	108,733
Accumulated depreciation	(29,940)
Net book value	78,793
Reconciliation of net book values	
Transferred from a related party {Note 1 (d)}	75,061
Purchased during the period	33,672
Depreciation for the period	(29,940)
As at 31 December 2014	78,793
Purchased during the year	317,649
Disposal during the year	
– Cost	(59,028)
– Accumulated depreciation	59,028
Depreciation for the year	(125,596)
As at 31 December 2015	**270,846**

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. Inventories

	2015 AED	2014 AED
Goods held for consumption {Note 1 (d)}	**84,135**	84,135
Less: Provision for slow–moving inventories (Note 6)	**(84,135)**	–
	–	84,135

15. Trade and other receivables

	2015 AED	2014 AED
Trade receivables	**7,782,371**	4,901,537
Deposits	**1,652,500**	336,828
Advance to a supplier {(a)(iii)}	**3,118,930**	16,384
Staff advances	**11,929**	180,512
Receivables from disposal of property and equipments	**31,550**	–
	12,597,280	5,435,261

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 five customers out of which 77% due from a related party based in Singapore and 19% was due from a customer situated in Sultanate of Oman (previous year: eight customers, out of which 6% due from a related party and 33% was due from a customer situated in Sultanate of Oman). During the year an amount of AED 5,840,000 due from a related party based in Kingdom of Saudi Arabia was transferred to the Shareholder (Notes 18 & 21).

iii) Subsequent to the end of the reporting period, consequent upon cancellation of the purchase order, the supplier has refunded 60% of the total advance as of the date of approval of the financial statement and balance 40% is expected to be received shortly.

b) **Currency risk**

The Company sells services in foreign currencies. Exposure is minimized where possible by denominating such transactions in US Dollars 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 denominated in UAE Dirham or US Dollar to which the UAE Dirham is fixed.

c) **Impairment**

The age analysis of trade receivables as at the end of the reporting period was as follows:

	2015 AED	2014 AED
Neither past–due nor impaired (0–180 days)	**6,295,205**	1,907,524
Past–due but not considered impaired (180 – 365 days)	**28,749**	1,386,553
Above one year (refer Note below)	**1,458,417**	1,607,460
Total	**7,782,371**	4,901,537

The balance of AED 1,458,417 in the age–band of 'Above one year' relates to the balance taken over from a related party in the previous period and is due from a customer in the Sultanate of Oman. This amount has been agreed to be settled shortly by the customer and hence is considered fully recoverable. On the basis of recoveries being made and on–going relationships with the customers, the management is of the opinion that the overdue balances will be recovered in due course of time. Accordingly, no provision for doubtful debts is required as at the end of the reporting period.

16. Cash and cash equivalents

	2015 AED	2014 AED
Cash on hand	**17,882**	36,730
Bank balances in current accounts	**960,710**	591,802
	978,592	628,532

The Company's bank accounts are placed with reputed banks. Bank balances include AED 49,511 denominated in Great Britain Pound Sterling (previous year: Nil).

17. Share capital

	2015 AED	2014 AED
50 shares of AED 1,000 each	**50,000**	50,000

18. Shareholder's current account

{GTL International Limited, Bermuda (the Parent company)}

	2015 AED	2014 AED
Opening balance – Credit	**3,282,581**	–
Funds introduced during the year/period	**6,705,229**	3,282,581
Fellow subsidiary balance included in trade receivables transferred {Note 15 (a) (ii) & 21}	**(5,840,000)**	–
Credit balance of a fellow subsidiary assumed (Note 21)	**18,551,691**	–
Closing balance – Credit	**22,699,501**	3,282,581

19. Provision for staff–of–service gratuity

	2015 AED	2014 AED
Opening balance	**43,825**	–
Transferred from a related party {Note 1 (d)}	**–**	70,180
Add: Provision for the year/period (Note 10)	**37,181**	43,825
Less: Payment made during the year	**(34,980)**	(70,180)
Closing balance	**46,026**	43,825

20. Trade and other payables

	2015 AED	2014 AED
Trade payables	**818,871**	1,102,361
Other payables and accrued expenses	**448,215**	2,398,945
	1,267,086	3,501,306

Other payables and accrued expenses includes provision for cost of revenue of AED 215,547 (previous period: AED 1,361,412).

21. Related parties

Related parties which fall within the definition of a related party as contained in International Accounting Standard 24 comprises the Parent 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:

	2015 AED	2014 AED
Companies under common ownership and management control		
Included in trade receivables		
GTL Singapore Pte. Ltd., Singapore (Fellow subsidiary) – {Note 15 (a) (ii)}	**5,977,550**	316,857
Disclosed as due from a related party		
GTL Saudi Arabia Company Limited, KSA (Fellow subsidiary)	**2,245,401**	8,033,479

The balances are considered as fully recoverable by the management.

	2015 AED	2014 AED
Disclosed as dues to related parties		
GTL Limited, India (Fellow subsidiary)	**224,204**	234,916
GTL ADACELL India Limited, India (Fellow subsidiary)	**113,686**	113,686
GTL Overseas Middle East FZ–LLC (Fellow subsidiary) – (Note 18)	**–**	17,120,794
	337,890	17,469,396

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

	2015 AED	2014 AED
Parent company		
Current account (Note 18)	**22,699,501**	3,282,581

Significant transactions with related parties during the year/period were as follows:

	2015	2014 (10 months) {Note 23 (a)}
	AED	AED
Companies under common ownership and management control		
Revenue	**8,197,608**	316,857
Group administrative overhead expenses (allocated) – (Note 9) – (Parent company)	**84,567**	781,286
Fellow subsidiary balance included in trade receivables transferred {Note 15 (a) (ii) & 18} – (Parent company)	**5,840,000**	–
Credit balance of a fellow subsidiary assumed (Note 18) – (Parent company)	**18,551,691**	–
Net assets acquired {Note 1 (d)} – (Fellow subsidiary)	**–**	16,198,192

22. 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.

23. Comparative figures

a) The comparative figures are for a period of ten months from 30 March, 2014, being the date of registration of the Company to 31 December 2014. Accordingly, these are not strictly comparable with the current year.

b) The comparative figure of due to a related party of AED 3,282,581 has been reclassified as Shareholder's current account.

24. Approval of financial statements

These financial statements were approved by the Board of Directors and authorised for issue on 28 January 2016.

For **GTL Overseas (Middle East) DMCC**

Vipulkumar Patel	**Pinakin Gandhi**
Director	Director

STRATEGIC REPORT FOR THE PERIOD FROM 31 DECEMBER 2014 TO 31 DECEMBER 2015

The directors present their strategic report for the period from 31 December 2014 to 31 December 2015.

Business review Fair review of the business

During the year, the company adapted very well to the ever changing market realities, it has focussed the growth of the business in specific areas. It converted resource based projects into long term annuity based managed service projects. In the year, it was awarded Everything Everywhere DNO (EE DNO), the largest project awarded by EE with an estimated income of more than £3m. This involved working directly with operator EE. Nokia is now the main customer in the UK with other customers being EE and Ericsson amongst many others. Its relationship with Ericsson is at growth level and looking good for the future.

Marketplace Overview

There is slow take up on LTE technology roll out in the United Kingdom, through over the past few months, this take up has started to gain momentum. GTL has now put in place tie–ups with a software company to have tools in place which provide a value add / an edge over competitors in the market.

Market Risks

The main risks facing the company are:

- The extended payment terms introduced by customers
- Up front investment required from OEM to Operators
- More contracts are service based focus and consolidation of Contracts based on SLA & LD models

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 of existing projects.
- Combine managed services for economies of scale and for improving profitability, while having the security of long–term contracts.
- Improve Delivery & Support functions

Growth

The company aims to:

- Convert any Resource based engagement into Managed Service
- 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:

- Identify Synergies and Consolidate Managed Services
- Position new offerings in Optimisation, Benchmarking and Customer Experience Management space

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.

Approved by the Board on 4 February 2016 and signed on its behalf by:

Mr Neeraj Satpall
Director

DIRECTORS' REPORT FOR THE PERIOD FROM 31 DECEMBER 2014 TO 31 DECEMBER 2015

The directors present their report and the financial statements for the period from 31 December 2014 to 31 December 2015.

Directors of the company

The directors who held office during the period were as follows:

Mr Neeraj Satpall

Mr Pinakin Gandhi

Principal activity

The principal activity of the company is telecommunication engineering services and consultancy.

Disclosure of information to the auditor

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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

Approved by the Board on 4 February 2016 and signed on its behalf by:

Mr Neeraj Satpall
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). 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; 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

We have audited the financial statements of GTL Europe Limited for the period from 31 December 2014 to 31 December 2015, set out on pages 8 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Statement of Directors' Responsibilities (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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law as it has effect under the Companies Regulations 2008 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant ccounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non–financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view seen as at the date the original financial statements were approved of the state of the company's affairs as at 31 December 2015 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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.

Amanjit Singh FCA
(Senior Statutory Auditor)

For and on behalf of
Kajaine Limited,
Statutory Auditor
Kajaine House
57–67 High Street
Edgware, HA8 7DD

4 February 2016

BALANCE SHEET AS AT DECEMBER 31, 2015

		As at 31st December 2015 GBP	As at 31st December 2014 GBP	As at 31st December 2015 INR	As at 31st December 2014 INR
I.	**EQUITY AND LIABILITIES**				
	SHAREHOLDER'S FUNDS				
	Share Capital	**500,000**	500,000	**49,229,656**	49,267,352
	Reserves and Surplus	**601,230**	907,679	**59,196,693**	89,437,881
		1,101,230	1,407,679	**108,426,349**	138,705,233
	NON–CURRENT LIABILITIES				
	Long–term borrowings	**–**	–	**–**	–
	Deferred tax liabilities (Net)	**–**	–	**–**	–
	Other Long term liabilities	**–**	–	**–**	–
	Long term provisions	**–**	–	**–**	–
		–	–	**–**	–
	CURRENT LIABILITIES				
	Short–term borrowings	**–**	–	**–**	–
	Trade payables (including Acceptances)	**1,870,298**	1,301,465	**184,148,256**	128,239,468
	Other current liabilities	**–**	–	**–**	–
	Short–term provisions	**2,989,498**	4,182,138	**294,343,918**	412,085,728
		4,859,796	5,483,603	**478,492,174**	540,325,196
	Total	**5,961,026**	6,891,282	**586,918,523**	679,030,429
II.	**ASSETS**				
	NON–CURRENT ASSETS				
	Fixed assets				
	Tangible assets	**26,778**	15,047	**2,636,543**	1,482,652
	Intangible assets	**–**	–	**–**	–
	Capital work–in–progress	**–**	–	**–**	–
		26,778	15,047	**2,636,543**	1,482,652
	Intangible assets under development				
	Non–current investments				
	Deferred tax assets (net)			**–**	–
	Long term loans and advances	**–**	–	**–**	–
	Other non–current assets	**2**	2	**197**	197
		2	2	**197**	197
	CURRENT ASSETS				
	Current investments	**–**	–	**–**	–
	Inventories	**3,243**	6,348	**319,304**	625,498
	Trade receivables	**2,591,903**	1,113,754	**255,196,988**	109,743,420
	Cash and cash equivalents	**2,452,846**	5,424,943	**241,505,531**	534,545,150
	Short–term loans and advances	**886,254**	331,188	**87,259,960**	32,633,511
	Other current assets	**–**	–	**–**	–
		5,934,246	6,876,233	**584,281,782**	677,547,580
	Total	**5,961,026**	6,891,282	**586,918,523**	679,030,429

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD

	31–Dec–14 to 31–Dec–15 GBP	1–Jan–14 to 30–Dec–14 GBP	**31–Dec–14 to 31–Dec–15 INR**	1–Jan–14 to 30–Dec–14 INR
Revenue from operations	**22,423,090**	15,265,937	**2,239,938,270**	1,516,393,007
Other Income	**–**	–	**–**	–
Total Revenue	**22,423,090**	15,265,937	**2,239,938,270**	1,516,393,007
Expenses:				
Cost of Purchases	**11,830,435**	8,416,099	**1,181,792,702**	835,986,266
Changes in inventories of finished goods, work–in–progress and Stock–in–Trade	**3,105**	25,955	**310,172**	2,578,157
Employee benefits expenses	**1,276,823**	1,024,964	**127,547,305**	101,811,519
Finance Costs	**174,210**	250,948	**17,402,581**	24,927,117
Foreign Exchange Loss /(Profit) (Net) on Borrowings & Preference Investments	**–**	(150)	**–**	(14,900)
Depreciation and amortization expense	**24,877**	11,122	**2,485,070**	1,104,768
Other expenses	**7,491,907**	4,498,626	**748,398,602**	446,856,620
Total Expenses	**20,801,357**	14,227,564	**2,077,936,431**	1,413,249,548
Profit before exceptional and extraordinary items and tax	**1,621,733**	1,038,373	**162,001,839**	103,143,460
Exceptional Items	**–**	–	**–**	–
Extraordinary Items	**–**	–	**–**	–
Profit before tax	**1,621,733**	1,038,373	**162,001,839**	103,143,460
Tax expense:				
Current tax	**328,182**	179,503	**32,783,502**	17,830,356
Deferred tax Liability / (Asset)				
Profit / (Loss) from the period after Tax	**1,293,551**	858,870	**129,218,337**	85,313,103

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31,2015

	As at 31st December 2015 GBP	As at 31st December 2014 GBP	**As at 31st December 2015 INR**	As at 31st December 2014 INR
Share Capital				
Issued, subscribed and paid up:				
500,000 Common Shares fully paid–up of £1 each	**500,000**	500,000	**49,229,656**	49,267,352
Redeemable Preference Shares			**–**	–
Total	**500,000**	500,000	**49,229,656**	49,267,352
Reserves and Surplus				
General Reserve				
Opening balance	**–**		**–**	–
Add: Transferred from Profit & Loss Account	**–**	–		
Closing Balance	**–**	–	**–**	–
Translation Reserve			**(1,856,194)**	(684,603)
Profit & Loss Account :				
Surplus – Opening Balance	**907,679**	48,809	**89,369,450**	4,809,380
Add : Net profit after tax transferred	**1,293,551**	858,870	**129,218,337**	85,313,103
Amount available for appropriation	**2,201,230**	907,679	**218,587,787**	90,122,484
Appropriation :				
Final Dividend	**1,600,000**		**157,534,900**	–
Surplus – Closing Balance	**601,230**	907,679	**61,052,887**	90,122,484
Total	**601,230**	907,679	**59,196,693**	89,437,881
Trade Payables				
Trade Payables	**1,858,025**	1,256,154	**182,939,864**	123,774,762
Others	**12,273**	45,311	**1,208,391**	4,464,706
Total	**1,870,298**	1,301,465	**184,148,256**	128,239,468
Other Current Liabilities				
Current maturities of Term Loan from Bank		2,370,000	**–**	233,527,247
Statutory Dues Payable	**771,526**	327,952	**75,963,920**	32,314,653
Other Liabilities	**2,217,972**	1,484,186	**218,379,999**	146,243,827
Total	**2,989,498**	4,182,138	**294,343,918**	412,085,728
Inventories				
Inventories : (at lower of cost and net realizable value)			**–**	–
Finished Goods (other than acquired for trading)	**3,243**	6,348	**319,304**	625,498
Total	**3,243**	6,348	**319,304**	625,498
Trade Receivables				
Debts outstanding for a period exceeding six months				
Unsecured				
Considered good	**2,572,085**	919,620	**253,245,721**	90,614,484
Considered doubtful	**–**	–	**–**	–
	2,572,085	919,620	**253,245,721**	90,614,484
Less: Provision for doubtful debts	**–**	–	**–**	–
	2,572,085	919,620	**253,245,721**	90,614,484

	As at 31st December 2015 GBP	As at 31st December 2014 GBP	**As at 31st December 2015 INR**	As at 31st December 2014 INR
Other debts				
Unsecured				
Considered good	**19,818**	194,134	**1,951,267**	19,128,936
Considered doubtful	**–**	–	**–**	–
	19,818	194,134	**1,951,267**	19,128,936
Total	**2,591,903**	1,113,754	**255,196,988**	109,743,420
Cash and cash equivalents				
Balances with Banks				
Balance in current account with a Scheduled Bank	**2,452,846**	5,424,943	**241,505,531**	534,545,150
Total	**2,452,846**	5,424,943	**241,505,531**	534,545,150
Short Term Loans and Advances				
Loans & Advances to related parties				
Others				
Advances recoverable in cash or in kind or for value to be received	**795,859**	302,147	**78,359,730**	29,771,965
Others	**90,395**	29,041	**8,900,230**	2,861,546
Total	**886,254**	331,188	**87,259,960**	32,633,511
Revenue from Operations				
Sale of Services				
Telecom Services	**22,423,090**	15,265,937	**2,239,938,270**	1,516,393,007
Total	**22,423,090**	15,265,937	**2,239,938,270**	1,516,393,007
Purchase of Material (Non – trade) & Services				
Sub Contractor Charges	**11,830,435**	8,416,099	**1,181,792,702**	835,986,266
Total of Purchase of Material (Non – trade) & Services	**11,830,435**	8,416,099	**1,181,792,702**	835,986,266
Total of Purchases	**11,830,435**	8,416,099	**1,181,792,702**	835,986,266
Changes in inventories of finished goods, work–in–progress and Stock–in– trade				
Decrease / (Increase) in Inventory				
Finished Goods	**3,105**	25,955	**310,172**	2,578,157
Total	**3,105**	25,955	**310,172**	2,578,157
Employee Benefit Expense				
Salaries	**1,115,203**	833,045	**111,402,393**	82,747,860
Contribution to Provident and Other Funds	**111,921**	85,163	**11,180,267**	8,459,394
Staff Welfare Expenses	**49,699**	106,756	**4,964,645**	10,604,266
Total	**1,276,823**	1,024,964	**127,547,305**	101,811,519
Finance Costs				
Interest Expense				
Interest on Borrowings	**64,600**	214,737	**6,453,170**	21,330,213
Other Borrowing costs	**109,610**	36,211	**10,949,411**	3,596,904
Total	**174,210**	250,948	**17,402,581**	24,927,117

	As at 31st December 2015 GBP	As at 31st December 2014 GBP	As at 31st December 2015 INR	As at 31st December 2014 INR
Other Expenses				
Consumption of Stores & Spares	**6,552,786**	3,613,788	**654,585,793**	358,964,068
Communication Expenses	**28,749**	48,663	**2,871,860**	4,833,783
Business Promotion Expenses	**12,462**	5,604	**1,244,882**	556,655
Rates & Taxes [include Wealth tax]	**21,823**	28,604	**2,179,993**	2,841,287
Rent	**109,305**	79,178	**10,918,943**	7,864,893
Electricity Charges	**3,328**	12,125	**332,448**	1,204,398
Insurance	**34,034**	44,923	**3,399,802**	4,462,282
Legal and Professional Fees	**526,785**	394,278	**52,622,805**	39,164,344
Travelling & Conveyance Expenses	**65,227**	74,116	**6,515,804**	7,362,076
Auditor's Remuneration	**20,000**	19,262	**1,997,885**	1,913,329
Repairs & Maintenance – Plant & Machinery	**14,186**	32,984	**1,417,100**	3,276,360
Repairs & Maintenance – Others	**20,277**	47,319	**2,025,556**	4,700,281
Other Expenses	**82,945**	97,782	**8,285,730**	9,712,862
Total	**7,491,907**	4,498,626	**748,398,602**	446,856,620
Tax Expense				
Current Tax	**328,182**	179,503	**32,783,502**	17,830,356
Net Current Income Tax	**328,182**	179,503	**32,783,502**	17,830,356
Deferred taxes				
Total	**328,182**	179,503	**32,783,502**	17,830,356

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 31 DECEMBER 2014 TO 31 DECEMBER 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Exemption from preparing group accounts

The company was, at the end of the year, a wholly–owned subsidiary of another company incorporated outside the EEA and in accordance with Section 401 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

Turnover

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.

Depreciation

The carrying values of fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Asset class	Depreciation method and rate
Fixtures, fittings and equipment	50% Straight line basis
Office equipment	50% Straight line basis

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

Stock

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.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currency

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.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

2 Turnover

An analysis of turnover by geographical location is given below:

	1 December 2014 to 31 December, 2015 £	1 January 2014 to 30 December, 2014 £
Sales – UK	**5,019,455**	1,598,929
Sales – Europe	**17,403,635**	13,667,008
	22,423,090	15,265,937

3. Operating profit

Operating profit is stated after charging:

	31 December 2014 to 31 December, 2015 £	1 January 2014 to 30 December, 2014 £
Operating leases – plant and machinery	**42,553**	70,595
Operating leases – other assets	**109,305**	79,178
Auditor's remuneration – audit of the company's annual accounts	**16,500**	15,500
Foreign currency losses	**40**	–
Depreciation of owned assets	**24,877**	11,122

4 Auditors Remuneration

	31 December, 2014 to 31 December, 2015 £	1 January 2014 to 30 December, 2014 £
Audit of financial statements	**16,500**	15,500
Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	**500**	500
Other services	**3,000**	3,262
	3,500	3,762
	20,000	19,262

5 Particulars of employees

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	31 December, 2014 to 31 December, 2015 £	1 January 2014 to 30 December, 2014 £
Support staff	**9**	13
Production staff	**65**	62
Sales staff	**5**	3
	79	78

The aggregate payroll costs were as follows:

	31 December, 2014 to 31 December, 2015 £	1 January 2014 to 30 December, 2014 £
Wages and salaries	**3,787,060**	3,430,673
Social security costs	**411,346**	360,432
Staff pension costs	**31,817**	23,749
	4,230,223	3,814,854

7 Directors' remuneration

The directors' remuneration for the period was as follows:

	31 December, 2014 to December 31, 2014 £	1 January 2013 to December 31, 2013 £
Remuneration	**219,182**	123,479

7 Interest payable and similar charges

	31 December, 2014 to 31 December, 2015 £	1 January 2014 to 30 December, 2014 £
Interest on other loans	**64,600**	214,737
	64,600	214,737

8 Taxation

Tax on (loss)/profit on ordinary activities

	31 December, 2014 to 31 December, 2015 £	1 January 2014 to 30 December, 2014 £
Current tax		
Corporation tax charge	**328,182**	179,503

Factors affecting current tax charge for the period

Tax on profit on ordinary activities for the year is higher than (2014 – lower than) the standard rate of corporation tax in the UK of 20% (2014 – 21%).

	31 December, 2014 to 31 December, 2015 £	1 January 2014 to 30 December, 2014 £
Profit on ordinary activities before taxation	**1,621,733**	1,038,373
Corporation tax at standard rate	**324,347**	218,058
Capital allowances for period in excess of depreciation	**(5,232)**	(5,533)
(Income)/Expenses not deductible for tax purposes	**5,027**	7,651
Utilisation of tax losses	**–**	(44,814)
Others	**4,040**	4,141
Total current tax	**328,182**	179,503

9 Tangible fixed assets

	Fixtures, fittings & equipment £	**Office equipment £**	**Total £**
Cost or valuation			
At 31 December 2014	**76,645**	**1,782**	78,427
Additions	**36,608**	**–**	36,608
At 31 December 2015	113,253	1,782	115,035
Depreciation			
At 31 December 2014	**62,860**	**520**	63,380
Charge for the period	**23,931**	**946**	24,877
At 31 December 2015	**86,791**	**1,466**	88,257
Net book value			
At 31 December 2015	**26,462**	**316**	26,778
At 30 December 2014	**13,785**	**1,262**	15,047

10 Investments held as fixed assets

	31 December, 2015 £	30 December, 2014 £
Shares in group undertakings and participating interests	**1**	1
Other Investments	**1**	1
Total	**2**	2

The company owns 100% of the issued Ordinary share capital of the following company:

GTL International Bangladesh Private Ltd	**31 December, 2015 £**	30 December, 2014 £
Aggregate Capital and Reserves	**(1,390,096)**	(870,590)
Profit and (Loss) for the period	**(568,833)**	(425,191)

Under the provision of S401 of the Companies Act 2006, the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

Other investments

	Utilised investments £	Total £
Cost		
At 31 December 2014	1	1
At 31 December 2015	1	1
Net book value		
At 31 December 2015	1	1
At 30 December 2014	1	1

11 Stocks

	31 December, 2015 £	30 December, 2014 £
Raw materials	**3,243**	6,348

12 Debtors

	31 December, 2015 £	30 December, 2014 £
Trade debtors	**2,572,085**	919,620
Amounts owed by group undertakings	**90,395**	11,041
Other debtors	**19,818**	194,134
Directors' current accounts	**–**	18,000
Prepayments and accrued income	**795,859**	302,147
	3,478,157	1,444,942

13 Creditors: Amounts falling due within one year

	31 December, 2015 £	30 December, 2014 £
Trade creditors	**1,858,025**	1,256,154
Bank loans and overdrafts	**–**	2,370,000
Corporation tax	**328,182**	224,503
Other taxes and social security	**443,344**	103,449
Other creditors	**12,273**	45,311
Accruals and deferred income	**2,217,972**	1,484,186
	4,859,796	5,483,603

14 Called up share capital

Allotted, called up and fully paid shares

	31 December, 2015		31 December, 2014	
	No.	£	No.	£
Ordinary shares of £1 each	500,000	500,000	500,000	500,000

15 Dividends

	31 December, 2015 £	30 December, 2014 £
Current period interim dividend	**1,600,000**	–

16 Reserves

	Profit and loss account £	Total £
At 31 December 2014	907,679	907,679
Profit for the period	1,293,551	1,293,551
Dividends	(1,600,000)	(1,600,000)
At 31 December 2015	601,230	601,230

17 Reconciliation of movement in shareholders' funds

	31 January 2014 to 31 December, 2015 £	1 January 2014 to 30 December, 2014 £
Profit attributable to the members of the company	**1,293,551**	858,870
Dividends	**(1,600,000)**	–
Net (reduction) / addition to shareholders' funds	**(306,449)**	858,870
Shareholders' funds at start of period	**1,407,679**	548,809
Shareholders' funds at end of period	**1,101,230**	1,407,679

18 Pension schemes

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £31,817 (2014 – £23,749).

19 Commitments

Operating lease commitments

As at 31 December 2015 the company had annual commitments under non–cancellable operating leases as follows:

Operating leases which expire:

	31 December, 2015 £	31 December, 2014 £
Land and buildings		
Within two and five years	**45,000**	45,000
Equipment		
Within one year	**32,700**	**–**
	–	**63,852**
Within two and five years	**32,700**	63,852

The above lease for the property occupied by the company is subject to three yearly rent reviews.

20 Related party transactions

The company has taken advantage of the exemption available in accordance with FRS 8 'Related Party disclosures' 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 due from GTL International Limited was £90,395 (2014 – £11,041).

21 Control

The company is controlled by GTL Limited. The company's immediate parent undertaking is GTL International Limited, a company incorporated in Bermuda.

The ultimate parent undertaking and controlling party is GTL Limited, a company incorporated in India.

The smallest group of which the company is a member is that group headed by GTL International Limited.

The largest group of which the company is a member and for which consolidated financial statements are prepared, is that group GTL Limited. GTL Limited is a fully listed company, with its shares traded on the Mumbai and National Stock Exchange in India. Copies of these accounts are available from the company's registered office situated at:

Global Vision
Electronic Sadan–II, MIDC TTC Industrial Area
Mahape, Navi Mumbai – 400710.

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITOR'S 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, 2015, and the income statement for the period January 01, 2015 to December 31, 2015, 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, 2015, 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: January 29, 2016

BALANCE SHEET AS AT 31ST DECEMBER, 2015

		As at 31st December 2015 NPR	As at 31st December 2014 NPR	As at 31st December 2015 INR	As at 31st December 2014 INR
I.	**EQUITY AND LIABILITIES**				
	SHAREHOLDER'S FUNDS				
	Share Capital	**19,453,000**	19,453,000	**12,335,238**	12,255,390
	Reserves and Surplus	**297,113,795**	295,267,173	**188,401,243**	186,018,319
		316,566,795	314,720,173	**200,736,481**	198,273,709
	NON–CURRENT LIABILITIES				
	Long–term borrowings	**67,331,521**	93,276,333	**42,695,232**	58,764,090
	Deferred tax liabilities (Net)	**–**	–	**–**	–
	Other Long term liabilities	**–**	–	**–**	–
	Long term provisions	**5,851,399**	4,474,862	**3,710,400**	2,819,163
		73,182,920	97,751,195	**46,405,631**	61,583,253
	CURRENT LIABILITIES				
	Short–term borrowings	**–**	–	**–**	–
	Trade payables (including Acceptances)	**117,056,669**	114,063,269	**74,226,180**	71,859,860
	Other current liabilities	**–**	–	**–**	–
	Short–term provisions	**256,689,334**	334,089,277	**162,767,904**	210,476,244
		373,746,003	448,152,546	**236,994,084**	282,336,104
Total		**763,495,718**	860,623,913	**484,136,196**	542,193,065
II.	**ASSETS**				
	NON–CURRENT ASSETS				
	Fixed assets				
	Tangible assets	**56,013,730**	64,282,146	**35,518,567**	40,497,752
	Intangible assets	**–**	–	**–**	–
	Capital work–in–progress	**–**	–	**–**	–
		56,013,730	64,282,146	**35,518,567**	40,497,752
	Non–current investments				
	Deferred tax assets (net)	**1,462,850**	1,118,716	**927,600**	704,791
	Long term loans and advances	**1,409,668**	601,240	**893,877**	378,781
	Other non–current assets	**–**	–	**–**	–
		2,872,518	1,719,956	**1,821,477**	1,083,573
	CURRENT ASSETS				
	Current investments	**–**	–	**–**	–
	Inventories	**14,388,291**	20,959,047	**9,123,683**	13,204,200
	Trade receivables	**397,881,707**	560,131,945	**252,298,646**	352,883,125
	Cash and cash equivalents	**248,471,874**	152,913,008	**157,557,174**	96,335,195
	Short–term loans and advances	**43,867,598**	60,617,812	**27,816,648**	38,189,221
	Other current assets	**–**	–	**–**	–
		704,609,469	794,621,811	**446,796,151**	500,611,741
Total		**763,495,718**	860,623,913	**484,136,196**	542,193,065

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD

	1-Jan-15 to 31-Dec-15 NPR	1-Jan-14 to 31-Dec-14 NPR	1-Jan-15 to 31-Dec-15 INR	1-Jan-14 to 31-Dec-14 INR
Revenue from operations	**1,112,539,428**	1,174,026,301	**697,057,368**	716,156,043
Other Income	**9,063,675**	7,751,943	**5,678,811**	4,728,685
Total Revenue	**1,121,603,102**	1,181,778,244	**702,736,179**	720,884,729
Expenses:				
Cost of Purchases	**604,230,725**	701,466,450	**378,578,474**	427,894,535
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	**6,570,755**	(15,332,809)	**4,116,882**	(9,353,013)
Employee benefits expenses	**112,514,285**	106,086,911	**70,495,399**	64,713,015
Finance Costs	**4,163,450**	1,860,458	**2,608,594**	1,134,879
Depreciation and amortization expense	**12,605,129**	12,725,314	**7,897,696**	7,762,442
Other expenses	**111,400,918**	104,723,291	**69,797,823**	63,881,207
Total Expenses	**851,485,261**	911,529,614	**533,494,868**	556,033,065
Profit before exceptional and extraordinary items and tax	**270,117,841**	270,248,629	**169,241,311**	164,851,664
Exceptional Items	**-**	-	**-**	-
Profit before extraordinary items and tax	**270,117,841**	270,248,629	**169,241,311**	164,851,664
Extraordinary Items	**-**	-	**-**	-
Profit before tax	**270,117,841**	270,248,629	**169,241,311**	164,851,664
Tax expense:				
Current tax	**75,471,753**	67,653,691	**47,286,541**	41,268,752
Deferred tax Liability / (Asset)	**-**	-	**-**	-
Profit / (Loss) from the period after Tax	**194,646,088**	202,594,938	**121,954,770**	123,582,912

STATEMENT OF CASH FLOW FOR THE PERIOD 01 JAN 15 TO 31 DECEMBER 15

	Particulars	Current Year NPR	Previous Year NPR
A.	**Cash Flow From Operating Activities**		
	Net Profit before taxation, and extraordinary Item	**270,117,841**	269,882,494
	Adjustments for:		
	Depreciation	**12,605,129**	12,725,314
	Gratuity	**1,599,522**	1,503,212
	Prior Period Share Capital Adjustment		
	Provision for Bonus	**27,011,784**	27,891,888
	Operating profit before working capital changes	**311,334,276**	312,002,908
	Change in Working Capital	**155,349,690**	(197,946,849)
	Cash Generated from Operations	**466,683,966**	114,056,059
	Income Tax Paid	**(102,041,691)**	(30,606,719)
	Bonus Paid	**(26,169,722)**	(18,415,407)
	Gratuity Paid	**(222,985)**	(770,941)
	Net Cash From Operating Activities	**338,249,568**	64,262,992
B.	**Cash Flow From Investing Activities**		–
	Purchase of Fixed Assets	**(4,336,714)**	(17,928,287)
	(Increase) / Decrease in investment	**(80,000,000)**	(145,174,660)
	Net Cash From Investing Activities	**(84,336,714)**	(163,102,947)
C.	**Cash flow from Financing Activities**		–
	Increase/(Decrease) in Loan	**(25,944,812)**	91,676,162
	Dividend paid	**(212,409,176)**	(150,331,767)
	Net Cash From Financing Activities	**(238,353,988)**	(58,655,605)
	Net Cash Flow	**15,558,867**	(157,495,560)
	Add: Opening Cash & Cash Equivalents	**7,738,348**	165,233,908
	Closing Cash & Cash Equivalents	**23,297,215**	7,738,348

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2015

	As at 31st December 2015 Nepali Rupees	As at 31st December 2014 Nepali Rupees	As at 31st December 2015 INR	As at 31st December 2014 INR
Share Capital				
Issued, subscribed and paid up:				
194,530 Equity Shares fully paid–up of Rs. 100/– each	**19,453,000**	19,453,000	**12,335,238**	12,255,390
Total	**19,453,000**	19,453,000	**12,335,238**	12,255,390
Reserves and Surplus				
General Reserve				
Opening balance	**–**	–	**–**	–
Add: Transferred from Profit & Loss Account	**–**	–	**–**	–
Closing Balance	**–**	–	**–**	–
Translation Reserve	**–**	–	**(3,400,147)**	(3,006,635)
Profit & Loss Account :				
Surplus – Opening Balance	**295,267,173**	223,798,134	**189,024,954**	140,992,825
Add : Net profit after tax transferred from Statement of Profit and Loss	**194,646,088**	202,594,938	**123,425,992**	127,634,811
Excess Provision of Dividend of Last Year	**19,609,710**	19,205,868	**12,434,609**	12,099,697
Amount available for appropriation	**509,522,971**	445,598,940	**324,885,555**	280,727,332
Appropriation :				
Final Dividend	**212,409,176**	150,331,767	**133,084,165**	91,702,378
Surplus – Closing Balance	**297,113,795**	295,267,173	**191,801,390**	189,024,954
Total	**297,113,795**	295,267,173	**188,401,243**	186,018,319
Long Term Borrowings				
Term Loans :				
From Banks	**67,331,521**	93,276,333	**42,695,232**	58,764,090
Total of Secured Loan	**67,331,521**	93,276,333	**42,695,232**	58,764,090
Total of Long Term Borrowings	**67,331,521**	93,276,333	**42,695,232**	58,764,090
Long Term Provisions				
Provision for employee benefits				
Provision for Gratuity	**5,851,399**	4,474,862	**3,710,400**	2,819,163
Total	**5,851,399**	4,474,862	**3,710,400**	2,819,163
Trade Payables				
Trade Payable	**117,056,669**	114,063,269	**74,226,180**	71,859,860
Total	**117,056,669**	114,063,269	**74,226,180**	71,859,860
Other Current Liabilities				
Expense Creditors	**77,265,627**	121,383,181	**48,994,494**	76,471,404
Provision for Expenses	**97,044,373**	93,094,123	**61,536,289**	58,649,297
Accrued salaries & benefits	**5,071,148**	2,662,226	**3,215,639**	1,677,202
Statutory Dues Payable	**14,979,951**	16,516,547	**9,498,857**	10,405,425
Advance from Customers	**15,954,021**	28,606,243	**10,116,519**	18,021,933
Other Liabilities	**46,374,214**	71,826,957	**29,406,105**	45,250,983
Total	**256,689,334**	334,089,277	**162,767,904**	210,476,244

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2015

	As at 31st December 2015 **Nepali Rupees**	As at 31st December 2014 Nepali Rupees	**As at 31st December 2015** **INR**	As at 31st December 2014 INR
Long term loans and advances				
Security Deposits	**1,409,668**	601,240	**893,877**	378,781
Total	**1,409,668**	601,240	**893,877**	378,781
Inventories				
Inventories : (at lower of cost and net realizable value)			**–**	–
Finished Goods (other than acquired for trading)	**9,608,918**	17,054,133	**6,093,060**	10,744,104
Work in Progress	**4,779,373**	3,904,914	**3,030,623**	2,460,096
Total	**14,388,291**	20,959,047	**9,123,683**	13,204,200
Trade Receivables				
Debts outstanding for a period exceeding six months				
Unsecured				
Considered good	**397,881,707**	560,131,945	**252,298,646**	352,883,125
Considered doubtful	**–**	–	**–**	–
	397,881,707	560,131,945	**252,298,646**	352,883,125
Less: Provision for doubtful debts	**–**	–	**–**	–
Total	**397,881,707**	560,131,945	**252,298,646**	352,883,125
Cash and cash equivalents				
Balances with Banks				
Balance in current account with a Scheduled Bank	**22,670,585**	7,297,680	**14,375,524**	4,597,538
Cash on Hand	**626,629**	440,668	**397,348**	277,621
Earmarked Balances with Bank	**225,174,660**	145,174,660	**142,784,302**	91,460,036
Total	**248,471,874**	152,913,008	**157,557,174**	96,335,195
Short Term Loans and Advances				
Advance Income Tax & Tax Deducted at source	**5,411,660**	5,480,661	**3,431,559**	3,452,816
Prepaid Expenses	**1,510,689**	2,183,704	**957,935**	1,375,734
Advance to Suppliers	**14,431,813**	38,890,358	**9,151,280**	24,500,925
Loans & Advances to employees	**22,513,435**	14,063,089	**14,275,874**	8,859,746
Total	**43,867,598**	60,617,812	**27,816,648**	38,189,221
Revenue from Operations				
Revenue from Turnkey Projects	**1,112,539,428**	1,174,026,301	**697,057,368**	716,156,043
Other Operating Revenues	**–**	–	**–**	–
Total	**1,112,539,428**	1,174,026,301	**697,057,368**	716,156,043
Other Income				
Interest Income			**–**	–
Interest – Bank Deposits	**8,877,275**	7,631,943	**5,562,023**	4,655,485
Lease & Rent Income	**186,400**	120,000	**116,788**	73,200
Total	**9,063,675**	7,751,943	**5,678,811**	4,728,685
Purchase of Material (Non – trade) & Services				
Fuel Charges For Energy Management	**124,122,192**	194,688,654	**77,768,290**	118,760,079
Sub Contractor Charges	**376,158,960**	424,659,487	**235,680,973**	259,042,287
Vehicle Hire Charges – Projects	**103,949,573**	82,118,309	**65,129,212**	50,092,169
Total of Purchase of Material (Non – trade) & Services	**604,230,725**	701,466,450	**378,578,474**	427,894,535
Total of Purchases	**604,230,725**	701,466,450	**378,578,474**	427,894,535

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2015

	As at 31st December 2015 Nepali Rupees	As at 31st December 2014 Nepali Rupees	As at 31st December 2015 INR	As at 31st December 2014 INR
Changes in inventories of finished goods, work–in–progress and Stock–in– trade				
Decrease / (Increase) in Inventory				
Finished Goods	6,570,755	(15,332,809)	4,116,882	(9,353,013)
Total	6,570,755	(15,332,809)	4,116,882	(9,353,013)
Employee Benefit Expense				
Salaries	104,759,913	101,252,110	65,636,927	61,763,787
Contribution to Provident and Other Funds	1,626,391	1,504,581	1,019,009	917,794
Staff Welfare Expenses	6,127,981	3,330,220	3,839,463	2,031,434
Total	112,514,285	106,086,911	70,495,399	64,713,015
Finance Costs			–	–
Interest Expense				
Interest on Borrowings	4,163,450	1,860,458	2,608,594	1,134,879
Total	4,163,450	1,860,458	2,608,594	1,134,879
Other Expenses				
Communication Expenses	2,894,601	2,194,685	1,813,601	1,338,758
Business Promotion Expenses	1,947,114	2,479,943	1,219,957	1,512,765
Rent	8,740,072	8,262,750	5,476,059	5,040,278
Electricity Charges	472,336	427,116	295,940	260,541
Insurance	2,420,524	2,361,031	1,516,570	1,440,229
Legal and Professional Fees	752,722	16,968,422	471,615	10,350,737
Travelling & Conveyance Expenses	14,035,336	12,551,943	8,793,787	7,656,685
Outsourced Manpower Cost	75,254,665	52,877,434	47,150,525	32,255,235
Auditor's Remuneration	225,000	291,667	140,973	177,917
Repairs & Maintenance – Plant & Machinery	–	1,502,883	–	916,759
Repairs & Maintenance – Others	2,180,569	350,334	1,366,227	213,704
Net (Gain)/Loss on Foreign Currency Transactions	–	(203,090)	–	(123,885)
Other Expenses	2,477,980	4,658,173	1,552,569	2,841,486
Total	111,400,918	104,723,291	69,797,823	63,881,207
Tax Expense				
Current Tax			–	–
Income Tax [MAT , if any]	67,529,460	67,470,623	42,310,328	41,157,080
Net Current Income Tax	67,529,460	67,470,623	42,310,328	41,157,080
Short Provision for Income tax for earlier years	8,286,427	–	5,191,829	–
Deferred taxes	(344,134)	183,068	(215,616)	111,671
Total	75,471,753	67,653,691	47,286,541	41,268,752

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

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 340, out of which 103 is direct and 237 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 amount 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 is 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%

For the purpose of calculation of depreciation, depreciable base of assets have been considered as per the provisions of Income Tax Act 2058. Further, rate of depreciation has been applied on individual assets of respective blocks of assets as per the Act.

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. There is no impairment of assets during the current period covering 1 January 2015 to 31 December 2015.

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 WIP, 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.

12. Adjustments pertaining to earlier years and provision write back

Income and expenditure relating to prior period including provision write backs pertaining to FY 2014 are disclosed separately as adjustment to prior period profit in Profit and Loss Appropriation account.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

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

Accrued revenue of NPR 55,554,412 has been recorded in the books of accounts for the period. Amount pertaining to accrued revenue has been disclosed under Account receivable.

3. Income Taxes

The provision for current tax has been made based on the estimated taxable income of the Company for the period January 01, 2015 till December 31, 2015. 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 16] for the period up to December 31, 2015. The amount of provision for depreciation and consequently current taxes is likely to change based on the actual results till Mid July 2016. The effect due to these on the financials for the period ending December 31, 2015 will not be significant.

Provision for tax created as at December 31, 2015 is disclosed for group reporting (consolidation) purposes only. Balance under the head as on December 31, 2015 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, 2015 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 2015] 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
Opening Income tax Provision	40,426,090.50
Add: Provision from Jan 1, 2015 to Dec 31, 2015	67,529,460,27
Less: Income tax provision as per income tax assessment	93,824,265.00
Closing Balance of Income tax Provision	**14,131,285.76**

4. 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 26,169,722 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 2015 is disclosed for group reporting (consolidation) purposes only. Balance under the head as on 31 December 2014 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 2015] 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 2015 is as follows:

Provision for Bonus	Amount in NPR
Opening as per Corporate Reporting	31,400,866
Provision for bonus as per local reporting	36,604,538
Provision pertaing to period Jan 01, 2015 to Dec 31, 2015	27,011,784
Adjustment for excess provision as per local reporting and corporate reporting	(9,592,754)
Adjustment (Payment) made during the Year	(26,169,722)
Closing Balance of Provision for Bonus	**32,242,929**

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS 2015

5. 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
Provision for Gratuity	5,851,399.22	–	5,851,399.22	25%	1,462,849.81
Total to be maintain					1,462,849.81
Opening Deferred Tax Assets					1,118,715.56
Difference as deferred tax Income					344,134.25

6. 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.

7. Provision for expense

Provision for expenses created as at 31 December 2015 are disclosed for group reporting purposes only. Balance under these head as on 31 December 2014 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.

8. 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 2015 that amounts to NPR 341,303,649 since no debt is considered doubtful.

9. 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 2015.

10. Previous period information

The previous year's figures have been regrouped wherever required.

11. Revenue from supply of goods and services are as follows.

Description	Amount (in NPR)
Revenue from Supply of Goods	72,219,865
Revenue from Services	1,040,319,563
Total	**1,112,539,428**

12. 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 NPR10,263,536.

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 3,795,944.

13. 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	corporate overhead charged to GTL Nepal	22,871,357	Credit
GTL Limited, Branch	Invoices	26,332,220	Credit
GTL Limited, Branch	Branch Advance	5,952,013	Credit
GTL Limited India A/C	Invoice & Debit notes From GTL India	61,901,126	Credit
GTL Limited , India (Customer)	Invoices raised on GTL India	40,166,351	Debit

14. Contingent Liability:

There are no legal cases against the company. The company has already filed tax returns for the Nepalese FY 2071–72 covering period July 16, 2014 till July 16, 2015. Tax Assessments for all the years up to FY 2070/71 (Period ending July 16, 2015) has already been completed.

Bank guarantee of NPR 16,851,600 and NPR 7,370,100 to NCELL is outstanding as on 31 December 2015.

15. Rounding off:

Figures are rounded off to the nearest Rupee.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

It is the responsibility of the management to prepare the financial statements for each financial year which give a true and fair view of the financial position of **iGTL MYANMAR Limited** as at the end of the year 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 them 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 7, 2016

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 March 31, 2016 and the statements of comprehensive income, changes in shareholders 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, 2016, and of its financial performance and its cash flows for the year then ended in accordance with MFRS for SMEs and the provision 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 7, 2016

BALANCE SHEET AS AT 31ST MARCH , 2016

		As at 31st March 2016 MMK	As at 31st March , 2015 MMK	As at 31st March 2016 INR	As at 31st March 2015 INR
I.	**EQUITY AND LIABILITIES**				
	SHAREHOLDER'S FUNDS				
	Share Capital	**232,025,000**	50,000,000	**12,890,278**	3,090,235
	Reserves and Surplus	**1,547,325,978**	91,834,229	**85,962,554**	5,675,787
		1,779,350,978	141,834,229	**98,852,832**	8,766,022
	NON–CURRENT LIABILITIES				
	Long–term borrowings	**–**	–	**–**	–
	Deferred tax liabilities (Net)	**–**	–	**–**	–
	Other Long term liabilities	**–**	–	**–**	–
	Long term provisions	**–**	–	**–**	–
		–	–	**–**	–
	CURRENT LIABILITIES				
	Short–term borrowings	**–**	172,599,000	**–**	10,667,429
	Trade payables (including Acceptances)	**–**	–	**–**	–
	Other current liabilities	**652,595,292**	30,611,410	**36,255,294**	1,891,929
	Short–term provisions	**5,242,229,978**	827,535,610	**291,234,999**	51,145,588
		5,894,825,270	1,030,746,020	**327,490,293**	63,704,946
	Total	**7,674,176,248**	1,172,580,249	**426,343,125**	72,470,967
II.	**ASSETS**				
	NON–CURRENT ASSETS				
	Fixed assets				
	Tangible assets	**125,617,918**	48,065,960	**6,978,773**	2,970,702
	Intangible assets	**–**	–	**–**	–
	Capital work–in–progress	**–**	–	**–**	–
		125,617,918	48,065,960	**6,978,773**	2,970,702
	Intangible assets under development				
	Non–current investments				
	Deferred tax assets (net)			**–**	–
	Long term loans and advances	**6,040,000**	1,040,000	**335,556**	64,277
	Other non–current assets				
		6,040,000	1,040,000	**335,556**	64,277
	CURRENT ASSETS				
	Current investments	**–**	–	**–**	–
	Inventories	**1,606,692,177**	–	**89,260,677**	–
	Trade receivables	**4,323,685,884**	729,382,029	**240,204,771**	45,079,235
	Cash and cash equivalents	**704,934,363**	93,738,355	**39,163,020**	5,793,471
	Short–term loans and advances	**722,366,876**	116,370,308	**40,131,493**	7,192,232
	Other current assets	**184,839,030**	183,983,597	**10,268,835**	11,371,050
		7,542,518,330	1,123,474,289	**419,028,796**	69,435,988
	Total	**7,674,176,248**	1,172,580,249	**426,343,125**	72,470,967

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD

	1–Apr –15 to 31–Mra –16 MMK	1–Apr–14 to 31–Mar –15 MMK	**1–Apr –15 to 31–Mra –16 INR**	1–Apr–14 to 31–Mar –15 INR
Revenue from operations	**16,300,399,206**	1,534,349,406	**909,620,491**	93,500,878
Less: Excise Duty, if any				
	16,300,399,206	1,534,349,406	**909,620,491**	93,500,878
Other Income	**223,393,628**	–	**12,466,162**	–
Total Revenue	**16,523,792,834**	1,534,349,406	**922,086,654**	93,500,878
Expenses:				
Cost of Purchases	**9,837,740,944**	1,035,036,848	**548,981,079**	63,073,543
Changes in inventories of finished goods, work–in–progress and Stock–in–Trade	**–**	–	**–**	–
Employee benefits expenses	**999,152,096**	179,747,905	**55,756,255**	10,953,559
Finance Costs	**–**	–	**–**	–
Depreciation and amortization expense	**42,432,768**	5,533,750	**2,367,900**	337,218
Other expenses	**3,703,811,360**	191,585,264	**206,685,902**	11,674,909
Total Expenses	**14,583,137,169**	1,411,903,767	**813,791,137**	86,039,230
Profit before exceptional and extraordinary items and tax	**1,940,655,665**	122,445,639	**108,295,517**	7,461,648
Exceptional Items	**–**	–	**–**	–
Profit before extraordinary items and tax	**1,940,655,665**	122,445,639	**108,295,517**	7,461,648
Extraordinary Items	**–**	–	**–**	–
Profit before tax	**1,940,655,665**	122,445,639	**108,295,517**	7,461,648
Tax expense:				
Current tax	**485,163,916**	30,611,410	**27,073,879**	1,865,412
Deferred tax Liability / (Asset)	**–**	–	**–**	–
Profit / (Loss) from the period after Tax	**1,455,491,749**	91,834,229	**81,221,638**	5,596,236

STATEMENT OF CASH FLOW
FOR THE PERIOD APRIL 1, 2015 TO MARCH 31, 2016

	31st Mar'2016 MMK	31st Mar'2015 MMK
Cash flows for operating activities		
Net Profit Before Tax	**1,940,655,665.00**	122,445,639.00
Adjustments for:		
Depreciation of property and equipment	**42,432,768.00**	5,533,750.00
Provision for Income Tax	**(485,163,916.00)**	(30,611,410.00)
Operating profit before working capital changes	**1,497,924,517.00**	97,367,979.00
(Increase)/ decrease in other current assets	**(5,622,848,032.00)**	(1,015,370,934.00)
Increase/ (decrease) in current liabilities	**4,864,079,250.00**	1,030,746,020.00
Cash utilized in operations	**739,155,735.00**	112,743,065.00
Income tax paid	**(190,000,000.00)**	(15,405,000.00)
Net cash used in operating activities	**549,155,735.00**	97,338,065.00
Cash flows from investing activities		
Purchase of property and equipment (net)	**(119,984,727.00)**	(53,599,710.00)
Net cash used in investing activities	**(119,984,727.00)**	(53,599,710.00)
Cash flows from financing activities		
Proceeds from issue of share capital	**182,025.000.00**	50,000,000.00
Net cash from financing activities	**182,025,000.00**	50,000,000.00
Net increase in cash and cash equivalents	**611,196,008.00**	–
Cash and cash equivalents at beginning of the year	**93,738,355.00**	–
Cash and cash equivalents at end of year	**704,934,363.00**	93,738,355.00

See Accompanying Notes to Financial Statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR APRIL 01, 2015 TO MARCH 31, 2016

	31st Mar'2016 MMK	31st Mar'2015 MMK
ISSUED AND PAID UP CAPITAL		
Balance at beginning of year	**50,000,000.00**	–
Shares issued during the year	**150,000,000.00**	50,000,000.00
Translation Reserve	**32,025,000.00**	–
	232,025,000.00	50,000,000.00
RETAINED EARNINGS		
Balance at beginning of year	**91,834,229.00**	–
Net profit / (loss) for the year	**1,455,491,749.00**	91,834,229.00
	1,547,325,978.00	91,834,229.00
	1,779,350,978.00	141,834,229.00

See Accompanying Notes to Financial Statements.

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING MARCH 31,2016

	As at 31st March 2016 MMK	As at 31st March 2015 MMK	As at 31st March 2016 INR	As at 31st March 2015 INR
Share Capital				
Authorised				
500000 Common Shares of 1000 MMK each	**500,000,000**	500,000,000	**900,000,000**	809,000,000
Issued, subscribed and paid up:				
Common Shares fully paid–up of each	**50,000,000**	50,000,000	**2,777,778**	3,090,235
Add : Shares Issued during the Year	**182,025,000**	–	**10,112,500**	
Total	**232,025,000**	50,000,000	**12,890,278**	3,090,235
Reserves and Surplus				
General Reserve				
Opening balance	**–**		**–**	–
Add: Transferred from Profit & Loss Account	**–**		**–**	–
Closing Balance	**–**	–	**–**	–
Translation Reserve	**–**	–	**(855,319)**	79,551
Profit & Loss Account :				
Surplus – Opening Balance	**91,834,229**		**5,596,236**	–
Add : Net profit after tax transferred from Statement of Profit and Loss Account	**1,455,491,749**	91,834,229	**81,221,638**	5,596,236
Amount available for appropriation	**1,547,325,978**	91,834,229	**86,817,874**	5,596,236
Appropriation :				
Final Dividend			**–**	–
Surplus – Closing Balance	**1,547,325,978**	91,834,229	**86,817,874**	5,596,236
Total	**1,547,325,978**	91,834,229	**85,962,554**	5,675,787
Short Term Borrowings				
Other loans and advances	**–**	172,599,000	**–**	10,667,429
Total	**–**	172,599,000	**–**	10,667,429
Other Current Liabilities				
Expense Creditors	**2,535,171,375**	546,570,290	**140,842,854**	33,780,611
Provision for Expenses	**1,491,409,904**	207,392,915	**82,856,106**	12,817,856
Accrued salaries & benefits	**54,709,736**	41,714,258	**3,039,430**	2,578,137
Statutory Dues Payable	**141,437,271**	13,103,912	**7,857,626**	809,883
Advance from Customers	**167,283,096**	–	**9,293,505**	–
Other Liabilities	**852,218,596**	18,754,235	**47,345,478**	1,159,100
Total	**5,242,229,978**	827,535,610	**291,234,999**	51,145,588
Long term loans and advances				
Security Deposits	**6,040,000**	1,040,000	**335,556**	64,277
Total	**6,040,000**	1,040,000	**335,556**	64,277
Inventories				
Inventories : (at lower of cost and net realiz–able value)				
Finished Goods (other than acquired for trading)	**110,416,136**	–	**6,134,230**	–
Work in Progress	**1,496,276,041**		**83,126,447**	–
Total	**1,606,692,177**	–	**89,260,677**	–

	As at 31st March 2016 MMK	As at 31st March 2015 MMK	As at 31st March 2016 INR	As at 31st March 2015 INR
Trade Receivables				
Debts outstanding for a period exceeding six months				
Unsecured				
Considered good	–	–	–	–
Considered doubtful	–	–	–	–
	–	–	–	–
Less: Provision for doubtful debts	–	–	–	–
	–	–	–	–
Other debts				
Unsecured			–	–
Considered good	**4,323,685,884**	729,382,029	**240,204,771**	45,079,235
Considered doubtful	–	–	–	–
	4,323,685,884	729,382,029	**240,204,771**	45,079,235
Total	**4,323,685,884**	729,382,029	**240,204,771**	45,079,235
Cash and cash equivalents				
Balances with Banks				
Balance in current account with a Non–Scheduled Bank	**673,666,817**	86,178,120	**37,425,934**	5,326,213
Cash on Hand	**31,267,546**	7,560,235	**1,737,086**	467,258
Total	**704,934,363**	93,738,355	**39,163,020**	5,793,471
Short Term Loans and Advances				
Advance Income Tax & Tax Deducted at source – International Branches	**529,181,551**	30,481,454	**29,398,975**	1,883,897
Prepaid Expenses	**88,931,851**	36,997,738	**4,940,658**	2,286,634
Loans & Advances to employees	**73,679,403**	48,891,116	**4,093,300**	3,021,701
Others	**30,574,071**	–	**1,698,560**	–
Total	**722,366,876**	116,370,308	**40,131,493**	7,192,232
Other Current Assets				
Unbilled Revenue	**184,839,030**	183,983,597	**10,268,835**	11,371,050
Total	**184,839,030**	183,983,597	**10,268,835**	11,371,050
Revenue from Operations				
Sale of Services				
Telecom Services	**16,300,399,206**	1,534,349,406	**909,620,491**	93,500,878
Total	**16,300,399,206**	1,534,349,406	**909,620,491**	93,500,878
Other Income				
Interest– Others	**223,393,628**	–	**12,466,162**	–
Total	**223,393,628**	–	**12,466,162**	–

	As at 31st March 2016 MMK	As at 31st March 2015 MMK	As at 31st March 2016 INR	As at 31st March 2015 INR
Purchase of Stock in Trade				
Sub Contractor Charges	**9,303,735,002**	1,035,036,848	**519,181,641**	63,073,543
Vehicle Hire Charges – Projects	**534,005,942**	–	**29,799,439**	–
Total of Purchase of Material (Non – trade) & Services	**9,837,740,944**	1,035,036,848	**548,981,079**	63,073,543
Total of Purchases	**9,837,740,944**	1,035,036,848	**548,981,079**	63,073,543
Employee Benefit Expense				
Salaries	**880,170,969**	171,642,570	**49,116,684**	10,459,633
Staff Welfare Expenses	**118,981,127**	8,105,335	**6,639,572**	493,927
Total	**999,152,096**	179,747,905	**55,756,255**	10,953,559
Other Expenses				
Communication Expenses	**82,383,361**	8,073,625	**4,597,286**	491,994
Business Promotion Expenses	**5,072,402**	2,241,346	**283,058**	136,584
Discounts & Commission	**13,887,900**	7,782,551	**774,994**	474,257
Freight Charges	**45,225**	50,000	**2,524**	3,047
Rates & Taxes [include Wealth tax]	**5,059,250**	–	**282,324**	–
Rent	**132,950,263**	3,455,162	**7,419,099**	210,552
Electricity Charges	**36,408,959**	611,400	**2,031,750**	37,258
Legal and Professional Fees	**27,864,420**	44,875,522	**1,554,934**	2,734,645
Travelling & Conveyance Expenses	**542,752,326**	74,096,352	**30,287,518**	4,515,317
Outsourced Manpower Cost	**2,869,158,858**		**160,109,311**	–
Auditor's Remuneration	**10,625,718**	7,568,919	**592,953**	461,238
Net (Gain)/Loss on Foreign Currency Transactions	**(116,443,831)**	(17,431,269)	**(6,497,982)**	(1,062,235)
Other Expenses	**94,046,511**	60,261,656	**5,248,131**	3,672,252
Total	**3,703,811,360**	191,585,264	**206,685,902**	11,674,909
Tax Expense				
Current Tax	**485,163,916**	30,611,410	**27,073,879**	1,865,412
Net Current Income Tax	**485,163,916**	30,611,410	**27,073,879**	1,865,412
Total	**485,163,916**	30,611,410	**27,073,879**	1,865,412

NOTES TO THE FINANCIAL STATEMENTS

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 is 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 April 01, 2015 to March 31, 2016.

The registered office of the Company is located at Building 8, Myanmar info–tech, Hlaing 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 Standard for Small and Medium–sized Entities (MFRS for SMEs).

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 comprise of cash in hand, cash with Cooperative Bank (CB) and Kanbawza Bank (KBZ).

d) Trade and other receivables

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

e) Trade and other payables

Trade and other payables are stated at nominal value.

f) 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:

Mobile Generator	35%
Tool & Equipment	35%
Motor Vehicles	35 %
Furniture & Fixtures	35%
Office Equipments	35%
Motor Vehicles	35%

g) Foreign Currency Translation

The presentation and functional currency of the Company is Myanmar Kyats. All transactions in US$ are translated into Myanmar Kyats at the market rate prevailing at the time of transaction. Exchange gains or losses arising from these transactions are debited or credited to income statement.

h) Revenue recognition

Income is recognized on the completion of services or as per the terms of arrangement with clients and when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the services

i) Share capital

Ordinary shares are classified as equity.

j) 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 (e); 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.

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.

3. Property and Equipment – net

The details are as follows:

	31st Mar'2016	31st Mar'2015
Opening	**53,599,710.00**	–
Addition for the year		
Mobile Generator 5KVA	**13,598,000.00**	5,545,000.00
Office & Equipment	**13,400,200.00**	5,419,400.00
Tools & Equipment	**15,705,825.00**	40,610,310.00
Motor Vehicles	**7,474,100.00**	2,025,000.00
Computer & Equipment	**44,300,015.00**	–
Furniture & Fixtures	**25,380,615.00**	–
	173,458,465.00	53,599,710.00
Less: Accumulated depreciation		
Opening	**5,533,750.00**	–
For the year	**42,306,797.00**	5,533,750.00
	47,840,547.00	5,533,750.00
Net book value	**125,617,918.00**	48,065,960.00

4. Cash

Cash consist of:

	31st Mar'2016	31st Mar'2015
Cash on hand	**31,267,546.00**	7,560,235.00
Cash in bank		
CB Bank (Myanmar Kyats)	**72,055,148.00**	54,608,625.00
CB Bank (US$)	**350,063,036.00**	17,625,169.00
KBZ Bank (Myanmar Kyats)	**226,889,369.00**	8,331,317.00
KBZ Bank (US$)	**24,659,264.00**	5,613,009.00
	704,934,363.00	93,738,355.00

5. Accounts Receivable

The above consist of:

	31st Mar'2016	31st Mar'2015
Apollo Tower Myanmar Ltd	**581,705,733.00**	471,198,909.00
Ericsson Myanmar Co., Ltd	**138,437,251.00**	54,851,580.00
Flexenclosure AB (Publ)	**79,453,705.00**	203,331,540.00
Hexamatic Myanmar Company Ltd	**(3,299,409.00)**	–
Irrawaddy Green Towers Ltd.	**5,356,000.00**	–
Suntac Technologies Ltd.	**5,768,862.00**	–
Telenor Myanmar Ltd.	**3,516,263,742.00**	–
	4,323,685,884.00	729,382,029.00

6. 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:

	31st Mar'2016	31st Mar'2015
Inventory	**110,416,136.00**	–
WIP–Projects Material	**806,077,479.00**	–
WIP–Projects Services	**690,198,562.00**	–
	1,606,692,177.00	–

7. Deposit (Ks 6,040,000.00)

The above deposit for diesel filling charges has been made with Apollo Tower Myanmar Ltd. & Security Deposit for Rental property.

8. Prepayment & Advance and Other assets

The above consist of:

	31st Mar'2016	31st Mar'2015
Imprest for Project	**73,679,403.00**	48,891,116.00
Withholding Tax	**323,776,551.00**	15,076,454.00
Advance Income Tax	**205,405,000.00**	15,405,000.00
Earned Income	**184,839,030.00**	183,983,597.00
Prepaid Expenses	**88,931,851.00**	36,997,738.00
Security Deposit–Rent	–	1,000,000.00
Others	**30,574,071.00**	–
	907,205,906.00	301,353,905.00

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 1 share owned by GTL Europe Limited.

10. Accounts Payable

The above consist of:

	31st Mar'2016	31st Mar'2015
7 Steps Company Ltd	**11,025,000.00**	–
A A Future Light Co.Ltd	**6,066,200.00**	–
Ajay Singh Group	**300,000.00**	–
Akbar Travels of India Pvt Limited	**52,342,787.69**	–
AnJ Tele Logistics Limited	**9,806,300.00**	–
Apparent Power Engineering General Trading Co.Ltd	**1,524,660.00**	84,660.00
Arkar Sun Co.Ltd	**165,000.00**	1,078,245.00
Arvensis Energy Pvt.Ltd	**–1,464,432.24**	6,585,160.00
Asia Forward Co.Ltd Construction	**7,128,670.00**	–
Asia Golden Family Group Co.Ltd	**3,746,500.00**	–
Asia Sonyan Construction	**3,472,538.00**	–
ASM Construction Material	**36,811,400.00**	–
Aung Ko Latt	**1,145,430.00**	88,309.00
Aung Myo Oo	**1,392,838.50**	15,833,521.00
Aung Pyitan	**2,646,000.00**	–
Aung Thazin Khant Co.Ltd	**3,162,900.00**	–
Aung Thein Than Co.Ltd	**365,000.00**	–
Aung Zaw Than	**806,490.00**	–
Ausnet Engineering Services (Pty)Ltd	**1,874,640.00**	–
Ayar Thaw Construction Company Limited	**2,015,823.00**	7,416,250.00
Aye Mya Chan Thar	**3,136,000.00**	–
Beautiful Days Co.Ltd	**7,552,493.18**	–
Best Passage Co.Ltd	**1,150,000.00**	–
Bhartiya Infrastructure Co.Ltd	**700,000.00**	–
Black Hawk Security Services	**29,200.00**	–
BNU Myanmar Co.Ltd	**1,380,000.00**	–
Building & Land Leader Group Company Limited	**695,950.00**	12,616,800.00
CAM Construction & Decoration	**1,042,644.80**	–

	31st Mar'2016	31st Mar'2015
Cattleya Company Limited	**10,340,534.00**	–
Chan Myae Aung	–	1,090,387.00
Cherry Power Co.Ltd	**848,000.00**	–
Chin Su (Myanmar) Co.Ltd	**–2,500,000.00**	–
Chit Moe Hein	**1,205,000.00**	–
Classic Electrical & Engineering Co.Ltd	**29,696,448.50**	–
Classic Wire & Cable Co. Ltd	**–999.92**	7,056,700.00
Clover Solutions Co.Ltd	**7,152,877.16**	–
Concordia Intl Co.Ltd	**1,470,000.00**	–
Daw Htay Company Limited	**33,868,680.00**	–
Daw Tin Kyi	**288,000.00**	–
Day to Day –Motel	**–2,352,000.00**	–
Diamond Delta Company Limited	**140,000.00**	–
Dollar Mandalay Company Limited	**26,591,040.00**	–
E21 International Co.Ltd	**721,907.00**	3,296,327.00
EKS Company Limited	**14,657,026.00**	–
Etaha Company Limited	**276,000.00**	–
Extreme Company Limited	**18,986,810.00**	–
Family Constriction Group	**–136,500.00**	–
Future Soiltechnics Co Ltd	**686,000.00**	–
Genno Safety & PPE Sales Centre	**1,666,160.00**	–
GH Services Myanmar Pvt Ltd	**3,901,000.00**	–
Global Crop Construction Co Ltd	**4,916,495.00**	–
Global Link Myanmar Construction Group.Ltd	**92,000.00**	1,764,000.00
Golden Ariya Company Limited	**1,000,000.00**	–
Golden Four Stars Construction Co.Ltd	**143,000.00**	–
Golden Gate Global Myanmar Pte.Ltd	**–3,700.00**	–
Golden Sea & Land Forwarding Co.Ltd	**2,622,241.00**	–
Golden Seven Arrow	**553,000.00**	–
Golden Sparrow Trading Co Ltd	**420,000.00**	–
Gold Tower Telecom Services	**1,557,800.00**	–
GTL India	**3,029,709.07**	–
GTL (Singapore) Pte Ltd–AP	**1,187,838,108.20**	354,211,935 .00
Haha Travels & Tours	**1,264,640.00**	–
Hardihood Construction Co.Ltd	–	3,684,800.00
Hardware World	**–1,260.00**	315,000.00
Hein Min Tun	**830,900.00**	–
High Aims (ASIA) Co.Ltd	**3,188,303.00**	1,898,505.00
Highlandz Group of Services	**10,917,250.00**	–
High Power Group Engineering Company Limited	**1,697,000.00**	–
Hlaing Htun	–	829,741.00
Hla Min	**1,999,200.00**	–
Hla Win	–	167,933.00
Hlwann Htet Aung Co.Ltd	**4,341,250.00**	–
HO Brothers Holdings Limited	**10,482,000.00**	12,498,900.00
Htein Lin	**563,538.00**	–
Htet Kyaw Construction Co.Ltd	**3,575,375.00**	–
IMA Executive Search	**151,611,858.00**	–
Inn Thar	**341,650.00**	–
Jai Ram & Comapny	**3,395,200.00**	–

	31st Mar'2016	31st Mar'2015
James & Associate Electrical Engineering	**8,279,980.00**	–
Jhamuna Tower Tech(Madras) PVT LTD	**37,035,057.79**	3,686,807.00
Kaung Thant Hein Construction Co.Ltd	**2,275,303.00**	–
Key Link Business Services Co.Ltd	**3,647,300.00**	–
Khin Zaw Technology	**10,200.00**	–
King Janaka Natural Resources & Technology Company	**33,867,400.00**	–
Ko Babu Car Service Centre	**4,789,200.00**	–
Ko Htet Maung Kyaw	**979,900.00**	–
Ko Kyaw Thu	**360,000.00**	–
Ko Taung Htike Group	**1,551,894.00**	–
Ko Thant Zin Electrical Service Centre	**3,490,000.00**	–
Kunjankishor Trading Co.Ltd	**2,398,680.00**	456,680.00
Kyaw	**880.00**	–
Kyaw Kyar @ Aung Aye Oo	**20,582,500.00**	–
Kyaw Kyaw Tun	**61,800.00**	–
Kyaw Oo Lwin	**101,150.00**	–
Kyaw Swar Lynn	**1,475,841.58**	–
Kyaw Than Htike	**2,049.00**	265,549.00
Kyi Zaw Moe Construction Co.Ltd	**3,372,567.02**	–
M.A.N Family Engineer Service Group	**1,163,504.00**	7,943,784.00
Man Myo Thu Company Limited	**1,083,000.00**	–
Mar Tar Thiri Construction Co.Ltd	**3,484,250.00**	–
Maung Chit (Roshan)	**1,211,886.00**	–
May Pan Chi	**16,106,250.00**	–
Mega Cosmos Construction Co.Ltd	**915,500.00**	3,528,000.00
Metal Prince Co.Ltd	**4,885,330.00**	728,160.00
Mg Pyae Phyo Wai	**244,040.00**	–
MHM Electrical Group	**127,400.00**	127,400.00
Min Lwin	**300,000.00**	300,000.00
Mizima Limited	**2,646,000.00**	–
Moe De	**170,000.00**	–
Moe Din Aung	–	345,316.00
Moe Myint Moul Aung & Company Family Limited	**4,867,209.14**	–
Moe Yan Min Pyae	**892,200.00**	–
Mon Yazar Co.Ltd	**1,037,944.00**	–
Moon Ray Towers Company Ltd	**22,255,850.00**	–
Myanmar HEMAS Power Co.Ltd	**1,639,446.44**	–
Myanmar Idel Group	**1,372,000.00**	–
Myanmar K Block Company Linited	**320,000.00**	–
Myan Shwe Pyi Tractors Ltd	**–80.00**	8,720,777.00
My Asia Consulting Co Ltd	**–213.50**	–
Myayarpin Engineering & Trading Co.Ltd	**475,000.00**	–
Myay Latt Htar Ni Co.Ltd	**1,545,000.00**	–
Myint Soe & Friends Group	**960,000.00**	–
Myo Nyi Nyi	–	966,262.00
My Tech Company Limited	**878,400.00**	–
Nadi Oo Trading Co.Ltd	**841,000.00**	–
Naing Lin Tun	**790,000.00**	–

	31st Mar'2016	31st Mar'2015
Nay Win	**100,000.00**	–
Nyein Chan Tower Insatallation Services	**455,000.00**	–
OK Kaung Pyae Company Ltd	**447,000.80**	–
Olympic (Battery Trading Ship)	**–260,000.00**	–
One Cloud Co.Ltd	**1,513,121.40**	–
Pan Taw Oo Company Limited	**1,128,920.00**	–
Patel Tele Networking Co.Ltd	**7,946,000.00**	–
Peace & Fine Construction Commpany	**100,190,300.00**	–
Perfect Ambition Group	**2,779,600.00**	–
Perspective Engineering Co.Ltd	**2,846,000.00**	–
Phone Lattyar Construction Co.Ltd	**1,960,000.00**	–
Popa Myanmar Alliance Company Limited	**6,578,550.00**	40,269,580.00
Promers Company Limited	**920,000.00**	–
Qingdao Huijintong Power Equipment Co.Ltd	**142,287,039.58**	–
Ra B Kan	**239,000.00**	–
Rajgar Telecommunications Limited	**2,223,800.00**	–
Royal Construction Group	**1,723,000.00**	854,000.00
Royal Green Light Co.Ltd	**1,320,000.00**	–
Royal Lotus Hotel	**3,671,184.05**	–
Royal Marine Trading Co.Ltd	**–8,000.00**	–
Royal Techno Net Group	**5,558,200.00**	735,000.00
RYNSB Engineering Company Limited	**140,000.00**	–
Salween Motors Pte Ltd	**6,135,330.00**	–
San Di Lwin	–	1,134,040.00
San Lwin	**881,000.00**	–
San San Aye	**1,026,623.00**	–
Saw Khine Trading Co.Ltd	**62,365,050.00**	–
SD Zay Yar Lwin Co.Ltd	**5,811,560.00**	–
Shan Thit Sar Co.Ltd	**1,510,000.00**	–
Sharma Jit Family	**285,000.00**	–
Shein Htet Zaw	**3,312,000.00**	–
Shilpa Design & Building Services Co.Ltd	**238,000.00**	–
Shukhintha Construction Co.Ltd	**574,320.00**	474,320.00
Shwe Ein Machinery Ltd	**8,851,961.57**	4,016,847.00
Shwe Htee Ngwe Htee Co.Ltd	**330,000.00**	–
Shwe Lu Pyan Construction & Decoration	**22,573,500.00**	–
Shyam Services	**5,744,580.42**	–
Smile Mann Myot Taw Co.Ltd	**28,528,640.00**	–
Soe Moe Aung	–	920,122.00
Soe Win Aung Engineering Group	**700,000.00**	–
Solar Rays Electrical Group	–	1,732,052.00
Speed Net Co.Ltd	**32,811,014.00**	–
Steel World Construction Group	**250,000.00**	–
Success Glory	**7,816,714.00**	–
Sule Tech Solutions Co.Ltd	**2,129,559.14**	–
Sunil Yadav	–	2,193,681.00
Suntac Engineering & Construction–CRS	**17,377,706.00**	–
Suntac Technologies(CR)	**2,208,510.77**	–
Sweet Furniture Mart	**–27,900.00**	–
Synergy Seven Co.Ltd	**240,000.00**	–
Tai An Hubang Communications Technology	**11,096,160.00**	–
Taw Win Tun	**1,470,000.00**	–
Tet Nay Lin Company Limited	**466,000.00**	–
Thein Toe Aung Co Ltd	**100,000.00**	–
Thein Tun	–	975,061.00
Thein Tun Aung	**6,080,810.00**	–
Thet Naung Soe Group	**1,542,048.00**	–
Thet Paing Soe Transport Services	**–20,000.00**	–
Thiha Salt & Sugar Trading	**300,000.00**	–
Tin Yu	**500,000.00**	–
Traditional Land Co.Ltd	**500,000.00**	–
Triple Gems Development Company Limited	**11,278,471.00**	–
True Myanmar Co.Ltd	**669,200.00**	–
Trust Technologies Limited	**2,891,000.00**	2,891,000.00
TTA Crane General Services & Transportation	–	2,058,000.00
Tun Shwe	**790,780.00**	–
Tun Tun Aung	**1,584,720.00**	–
U Hla Myo Aung	**890,000.00**	–
U Khin Maung Oo	**550,000.00**	–
U Ngwe San	**190,300.00**	–
Union Power Team Company	**24,308,630.00**	–
United Technical Power Engineering Co.Ltd	**3,118,000.00**	735,000.00
U Than Htike	**416,840.00**	–
U Than Ohn & Sons Co.Ltd	**479,520.00**	–
U Yay Chann Construction Groups	**770,000.00**	–
Vidath Engineering Services Myanmar Co.Ltd	**2,596,000.00**	5,065,280.00
Wai Lin Aung	**593,700.00**	–
Wai Yan	**689,740.00**	–
Win Thin & Associates	**–693,311.60**	–
Yadanar Thiengi Construction Group	**1,392,300.00**	–
Yadanar Thukha Company Limited	**26,863,580.00**	–
YAMON LWIN OO ENGINEERING Co.Ltd	–	1,000,300.00
Yaung Chi Linn Thit Co.Ltd	**690,000.00**	9,430,150.00
Yaw Ayar(SU PAUNG)CO.LTD	**500,000.00**	–
Ye Kyaw Win	**450,000.00**	–
Ye Yint Aung Transport & Service	**2,058,000.00**	–
Yoma Engineering Services Co.Ltd	–	1,456,950.00
Zalatni Stationery	**181,560.60**	–
Zaw Min Oo	**1,313,400.00**	–
Zaw Myo Aye	**19,372,700.00**	–
Zaw Win Than	**1,037,210.00**	–
Zaw Zaw	**190,000.00**	–
Zayar Star Co.Ltd	**10,682,000.00**	–
Zenith Trust Group Company Ltd	**2,639,910.00**	13,043,000.00
Zin Myint Aung	**816,030.86**	–
	2,535,171,375.00	546,570,290.00

11. Others

The above consist of:

	31st Mar'2016	31st Mar'2015
Project Management Support Services–Payable	**203,770,882.00**	18,754,235.00
Salary Payable	**54,709,736.00**	41,714,258.00
Advances From Customers	**167,283,096.00**	–
Un–Earned Income	**648,447,714.00**	–
	1,074,211,428.00	60,468,493.00

12. Provisions

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources

The above consist of:

	31st Mar'2016	31st Mar'2015
Provision of income Tax AY 2015–16	**485,163,916.00**	–
Provision of Income Tax AY 2014–15	**30,611,410.00**	30,611,410.00
Contingency Provision for FY 2015–16	**136,819,966.00**	–
Provision for Expenses	**472,091,388.00**	207,392,915.00
Provision COGS Projects Material	**80,088,410.00**	–
Provision COGS Projects Services	**939,230,106.00**	–
	2,144,005,196.00	238,004,325.00

13. Revenue (Ks 16,331,173,517.00)

The above represents the revenues earned from Installation & Transport Service, Site Maintenance service, Power Installation service, Telecom Site building, Professional Services & In–building solutions to Apollo Tower Myanmar Ltd, Ericsson Myanmar Co. Ltd, FlexenclosureAB (Publ), Hexamatic Myanmar Company Ltd, Irrawaddy Green Towers Ltd, Nokia Solutions & Networks Myanmar Limited & Telenor Myanmar Limited.

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.

14. Cost of Sale

The details are as follows:

	31st Mar'2016	31st Mar'2015
Air Ticket Charges Projects Team	**1,489,789.61**	–
BTS & MICROWAVE Installation	**125,924,393.00**	24,856,000.00
COGS–Material Projects	**2,097,151,465.21**	55,839,677.00
COGS–Services Projects	**4,493,874,593.11**	139,105,545.00
Commercial Tax 5% – Input	–	1,613,996.00
Contingency	**136,819,966.00**	–
Conveyance Projects Team	**159,024,355.00**	–
Crane Hire Charges	**3,040,000.00**	–
Custom Clearance Charges	**25,734,568.00**	–
DG Charges	**3,154,000.00**	20,618,650.00
DG R&M Materials	**12,178,725.00**	10,236,894.00
Employees Salary Paid	**619,378,955.05**	141,425,216.00
Fooding Charges Projects Employees	**4,225,796.00**	–
Freight Charges	**45,225.00**	–
Fuel Filling Charges	**62,562,096.00**	68,825,250.00
Imprest Expenses Provision FY15–16	**62,627,492.00**	–
Incentive & Bonus	**208,571,501.00**	–
Labour Charges	**66,409,390.00**	1,024,600.00
Local Travel Expenses Projects Team	**12,463,410.00**	–
Lodging Charges Projects Team	**137,479,046.25**	–
Outsource Project Manpower Charges	**2,747,842,213.00**	–
Outsource Service Charges	**121,316,644.58**	–
Professional & Consultancy Charges	**27,864,419.90**	–
Project Execution Expense	**226,079,718.29**	56,756,838.00
Project Management Support Services	**1,215,764,000.00**	552,972,523.00
Repairs & Maintenance	**5,352,760.00**	–
Social Security Benefit Paid	**455,500.00**	–
Staff Welfare Projects Team	**3,477,680.00**	–
Toll Charges	**5,273,389.00**	–
Transportation	**233,636,202.00**	103,186,875.00
Vehicle Hire Charges	**534,005,942.00**	–
Visa Charges Projects Team	**5,190,963.00**	–
	13,358,414,198.00	1,176,462,064.00

15. Administration Expenses

General and administration expenses consist of:

	31st Mar'2016	31st Mar'2015
Agent Commission	**13,887,900.04**	7,782,551.00
Air Ticket Charges	**239,727,383.39**	22,166,812.00
Audit Fees	**9,154,500.00**	7,484,659.00
Bank Charges	**8,536,886.39**	808,829.00
Business Promotion	**5,072,402.00**	2,241,346.00
Car Hire Charges	**1,890,600.00**	55,629,224.00
Conveyance Charges	**134,057,670.65**	30,180,840.00
Cook & Cleaning Expenses	**24,555,497.00**	–
Depreciation P&L A/c	**42,432,768.00**	5,533,750.00
Donation	**10,131,000.00**	1,000,000.00
Electricity Charges	**36,408,959.00**	611,400.00
Employee Fooding Charges	–	3,964,073.00
Employee Tax	**109,416,079.00**	19,492,405.00
Employee Welfare	**2,093,920.00**	–
Fees & Subscriptions	**350,000.00**	480,000.00
Fooding Charges	**23,712,477.00**	6,760,876.00
Freight Charges	–	50,000.00
Godown Rent	**2,335,246.00**	–
Government Registration Fee	–	1,230,888.00
Guesthouse Expenses	**86,796,162.00**	6,719,440.00
Guesthouse Rent	**57,057,842.60**	2,326,130.00
Hotel Charges(Corporate)	**5,600,069.70**	–
Incentive & Bonus S&D	**123,437,662.00**	–
Lodging Charges	**60,905,009.00**	10,116,250.00
Loss of Assets	**309,029.00**	–
Medical Reimbursement	**1,657,810.00**	1,385,895.00
Miscellaneous Charges	**1,774,160.00**	21,050.00
Office Rent	**60,068,879.00**	1,129,032.00
Out of Pocket Expenses	**1,471,217.52**	84,260.00
Printing & Stationery	**22,900,081.00**	1,091,090.00
Professional & Consultancy Charges	–	44,875,522.00
Staff Welfare	**28,433,235.00**	–
Stamp Duty	**5,059,250.00**	–
Sundry Debit & Credit Balances Written Off	**–234,780.17**	575.00
Telephone Charges	**82,383,361.00**	8,073,625.00
Travel Expenses	**9,426,885.07**	–
Visa Charges	**93,035,308.34**	11,632,450.00
Warehouse Rent	**13,488,295.00**	–
Warehouse Security Charges	**1,050,000.00**	–
With Holding Tax Borne by Us 3.5%	**22,784,037.47**	–
	1,341,166,802.00	252,872,972.00

16. Related Party Transaction

The Company had carried out the following related party transactions during the year:

Particular	**Amount (Ks)**
Transactions with:	
GTL Singapore Pte Ltd.	
Shares	232,024,000.00
Services	1,013,015,000.00
Loan& Advances	1,263,424,429.00
Creditors	1,187,838,108.00
GTL Limited	
Reimbursements of expenses	3,029,709.00

17. Authorization of Financial Statements

The financial statements of the entity for the year ended March 31, 2016 were authorized for issue on April 7, 2016.

REPORT OF THE DIRECTORS

The Directors have the pleasure in submitting their annual report together with the Audited accounts for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The Principal activity of the company is that of selling, installing, maintenance and repairing telecommunication infrastructure and related accessories equipment.

RESULTS FOR THE YEAR

	2015 **KSH**	2014 KSH
Net profit / (loss) before income tax	**1,518,649**	(23,729,342)
Deferred tax / (Taxation charge)	**–**	(1,128,174)
Net profit / (loss) for the year carried to retained earnings	**1,518,649**	(24,857,516)

DIVIDEND

The directors do not recommend payment of any dividend for the year.

DIRECTORATE

The directors who held office during the year are listed on page 1.

BY ORDER OF THE BOARD

Siddharth Arun Thakare
DIRECTOR

Pinakin Bhupendrakumar Gandhi
DIRECTOR

1 February, 2016

STATEMENT BY DIRECTORS

The Companies Act requires the directors to prepare financial statements for each year, which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its operating results for that year. It also requires the director's to ensure the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Companies Act.

The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The directors have made an assessment of the company's ability to continue as a going concern, and are of the view that the company has no resources to continue in business for the foreseeable future. Furthermore, the directors are of the opinion that there are material uncertainties that cast significant doubt upon the company's ability to continue as a going concern

Approve by the board of directors on 1 February, 2016 and signed on its behalf by:

Siddharth Arun Thakare
DIRECTOR

Pinakin Bhupendrakumar Gandhi
DIRECTOR

REPORT OF THE INDEPEDENT AUDITORS TO THE MEMBERS OF GTL KENYA LIMITED FOR THE YEAR ENDED 31 DECEMBER 2015.

Report on the financial statements

We have audited the accompanying financial statements of GTL Kenya Limited, set out on pages 6 to 22, which comprise the Statement of financial position as at 31 December 2015, and the statements of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 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.

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 International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the director, as well as evaluating the overall presentation of financial statements.

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

Basis for Qualified Opinion

(i) We were not able to carry out any verification regarding the "trade and other payables" as the necessary confirmations were not available. Therefore we cannot confirm the amounts of Kshs 6,237,834/– shown under trade and other payables in the statement of financial position as at 31 December 2015. As at the date of this report, we were not able to obtain final certification or confirmations from the respective party's under question.

(ii) The Company was generally regular in depositing with appropriate authorities all statutory dues applicable to it except for the disputed income tax assessment as noted on Note 16(Notes to financial statements) and remittance of VAT and PAYE taxes, which have not been regularly deposited with the appropriate authorities and there have been delays.

(iii) We have purely relied on the letter of representation given by the directors regarding all the expenses, since no supporting documents were available for vouching.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above and as detailed in note 11 (going concern) of the financial statements, the accompanying financial statements give a true and fair view of the state of financial affairs of the company as at 31 December, 2015 and of its financial performance and cash flows for the year then ended and the Kenya Companies Act.

Report on other legal requirements

As required by the Kenyan Companies Act we report to you, based on our audit, that:

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the effects of the matter described in the Basis for Qualified Opinion paragraph above and as detailed in note 11 (going concern) of the financial statements;

ii) The company's balance sheet and profit and loss account are in agreement with the books except for the effects of the matter described in the Basis for Qualified Opinion paragraph above and as detailed in note 11 (going concern) of the financial statements.

SUNIL DAVDA & COMPANY
Certified Public Accountants (K)

1 February, 2016.

BALANCE SHEET AS AT 31ST DECEMBER, 2015

		As at 31st December 2015 KSH	As at 31st December 2014 KSH	As at 31st December 2015 INR	As at 31st December 2014 INR
I.	**EQUITY AND LIABILITIES**				
	SHAREHOLDER'S FUNDS				
	Share Capital	**100,000**	100,000	**66,083**	71,092
	Reserves and Surplus	**12,717,224**	11,198,575	**8,403,884**	7,984,930
		12,817,224	11,298,575	**8,469,967**	8,056,023
	NON–CURRENT LIABILITIES				
	Long–term borrowings	**–**	–	**–**	–
	Deferred tax liabilities (Net)	**–**	–	**–**	–
	Other Long term liabilities	**–**	–	**–**	–
	Long term provisions	**–**	–	**–**	–
		–	–	**–**	–
	CURRENT LIABILITIES				
	Short–term borrowings	**–**	–	**–**	–
	Trade payables (including Acceptances)	**8,263,607**	10,803,740	**5,460,814**	7,680,628
	Other current liabilities	**–**	–	**–**	–
	Short–term provisions	**–**	–	**–**	–
		8,263,607	10,803,740	**5,460,814**	7,680,628
	Total	**21,080,831**	22,102,315	**13,930,781**	15,736,651
II.	**ASSETS**				
	NON–CURRENT ASSETS				
	Fixed assets				
	Tangible assets	**–**	–	**–**	–
	Intangible assets	**–**	–	**–**	–
	Capital work–in–progress	**–**	–	**–**	–
		–	–	**–**	–
	Non–current investments	**–**	–	**–**	–
	Deferred tax assets (net)	**–**	–	**–**	–
	Long term loans and advances	**–**	–	**–**	–
	Other non–current assets				
		–	–	**–**	–
	CURRENT ASSETS				
	Current investments	**–**	–	**–**	–
	Inventories	**–**	–	**–**	–
	Trade receivables	**–**	–	**–**	–
	Cash and cash equivalents	**57,740**	1,079,224	**38,156**	767,245
	Short–term loans and advances	**–**	–	**–**	23,605
	Other current assets	**21,023,091**	21,023,091	**13,892,624**	14,945,801
		21,080,831	22,102,315	**13,930,781**	15,736,651
	Total	**21,080,831**	22,102,315	**13,930,781**	15,736,651

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD

	1–Jan–15 to 31–Dec–15 KSH	1–Jan–14 to 31–Dec–14 KSH	1–Jan–15 to 31–Dec–15 INR	1–Jan–14 to 31–Dec–14 INR
Revenue from operations	–	35,195,279	–	24,288,392
Other Income	–	20,950,233	–	14,457,833
Total Revenue	–	56,145,512	–	38,746,225
Expenses:				
Cost of Purchases	**(305,800)**	6,023,414	**(199,672)**	4,156,780
Changes in inventories of finished goods, work–in–progress and Stock–in–Trade			–	–
Employee benefits expenses	–	19,692,750	–	13,590,039
Finance Costs	**(2,176)**	519,481	**(1,421)**	358,496
Depreciation and amortization expense	–	–	–	–
Other expenses	**(1,210,673)**	53,639,209	**(790,509)**	37,016,616
Total Expenses	**(1,518,649)**	79,874,854	**(991,602)**	55,121,931
Profit before exceptional and extraordinary items and tax	**1,518,649**	(23,729,342)	**991,602**	(16,375,706)
Exceptional Items	–	–	–	–
Profit before extraordinary items and tax	**1,518,649**	(23,729,342)	**991,602**	(16,375,706)
Extraordinary Items	–	–	–	–
Profit before tax	**1,518,649**	(23,729,342)	**991,602**	(16,375,706)
Tax expense:				
Current tax	–	1,128,174	–	778,557
Deferred tax Liability / (Asset)	–	–	–	–
Profit / (Loss) from the period after Tax	**1,518,649**	(24,857,516)	**991,602**	(17,154,263)

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2015

	Notes	**2015 KSH**	2014 KSH
Operating activities			
Net (loss)/profit before tax (Page 6)		**7,976**	(23,729,342)
Adjustment for:			
Depreciation	17	**–**	–
Loss on disposal of fixed assets		**–**	31,126,646
Operating profit / (loss) before working capital changes		**7,976**	7,397,304
(Increase)/ Decrease in trade and other receivables	19	**–**	99,576,007
(Increase) in stocks		**–**	2,010,328
(Decrease)/Increase in trade and other payables	14	**(1,029,460)**	(95,272,430)
Cash generated from operations		**(1,021,484)**	13,711,209
Income taxes paid		**–**	(6,617,422)
Net cash from operating activities		**(1,021,484)**	7,093,787
Investing activities			
Purchase of property, plant and equipment	17	**–**	(10,275)
Disposal of fixed assets		**–**	529,000
Net cash used in investing activities		**–**	518,725
Financing activities			
Share capital introduced	11	**–**	–
Borrowings /(Repayment)	15	**–**	(14,213,410)
Net cash used in financing activities		**–**	(14,213,410)
Net (Decrease)/increase in cash and cash equivalents		**(1,021,484)**	(6,600,898)
Movement in cash and cash equivalents			
At start of year	21	**1,079,224**	7,680,122
(Decrease)/Increase in cash and cash equivalents		**(1,021,484)**	(6,600,898)
At end of year	21	**57,740**	1,079,224

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER, 2015

	Notes	**Share Capital**	**Retained Earnings**	**Total**
		KSH	**KSH**	**KSH**
Balance at 01.01.2014		100,000	36,056,091	36,156,091
Net profit (Page 6)		–	(24,857,516)	(24,857,516)
Balance at 31.12.2014	11	100,000	11,198,575	11,298,575
Balance at 01.01.2015		100,000	11,198,575	11,298,575
Net profit for the year (Page 6)		–	1,518,649	1,518,649
Balance at 31.12.2015	11	100,000	12,717,224	12,817,224

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2015

	As at 31st December 2015 KSH	As at 31st December 2014 KSH	As at 31st December 2015 INR	As at 31st December 2014 INR
Share Capital				
Issued, subscribed and paid up:				
1,000 Common Shares fully paid–up of Ksh 100 each	**100,000**	100,000	**66,083**	71,092
Total	**100,000**	100,000	**66,083**	71,092
Reserves and Surplus				
Translation Reserve	**–**	–	**827,772**	1,400,420
Profit & Loss Account :				
Surplus – Opening Balance	**11,198,575**	36,056,091	**6,584,510**	23,738,774
Add : Net profit after tax transferred from Statement of Profit and L	**1,518,649**	(24,857,516)	**991,602**	(17,154,263)
Amount available for appropriation	**12,717,224**	11,198,575	**7,576,112**	6,584,510
Appropriation :				
Surplus – Closing Balance	**12,717,224**	11,198,575	**7,576,112**	6,584,510
Total	**12,717,224**	11,198,575	**8,403,884**	7,984,930
Trade Payables				
Trade Payables	**6,237,834**	8,054,307	**4,122,129**	5,725,993
Others	**2,025,773**	2,749,433	**1,338,685**	1,954,635
Total	**8,263,607**	10,803,740	**5,460,814**	7,680,628
Cash and cash equivalents				
Balances with Banks				
Balance in current account with a Non–Scheduled Bank	**57,740**	1,079,224	**38,156**	767,245
Cash on Hand	**–**	–	**–**	–
Total	**57,740**	1,079,224	**38,156**	767,245
Other Current Assets				
Taxation	**21,023,091**	21,023,091	**14,945,801**	14,945,801
Total	**21,023,091**	21,023,091	**14,945,801**	14,945,801
Revenue from Operations				
Revenue from Turnkey Projects	**–**	35,195,279	**–**	24,288,392
Total	**–**	35,195,279	**–**	24,288,392
Other Income				
Other Non–Operating Income	**–**	20,950,233	**–**	14,457,833
Total	**–**	20,950,233	**–**	14,457,833
Purchase of Material (Non – trade) & Services				
Sub Contractor Charges	**(305,800)**	6,023,414	**(199,672)**	4,156,780
Total of Purchase of Material (Non – trade) & Services	**(305,800)**	6,023,414	**(199,672)**	4,156,780
Total of Purchases	**(305,800)**	6,023,414	**(199,672)**	4,156,780

	As at 31st December 2015 KSH	As at 31st December 2014 KSH	As at 31st December 2015 INR	As at 31st December 2014 INR
Employee Benefit Expense				
Salaries	–	19,431,225	–	13,409,560
Staff Welfare Expenses	–	261,525	–	180,479
Total	–	19,692,750	–	13,590,039
Finance Costs				
Finance Costs	**550**	104,630	**359**	72,206
Exchange (Gain) / Loss	**(2,726)**	414,851	**(1,780)**	286,290
Total	**(2,176)**	519,481	**(1,421)**	358,496
Other Expenses				
Communication Expenses	–	820,311	–	566,100
Business Promotion Expenses	–	45,400	–	31,331
Rent	–	2,009,963	–	1,387,083
Electricity Charges	–	13,110	–	9,047
Insurance	**(1,510,673)**	1,560,030	**(986,394)**	1,076,582
Travelling & Conveyance Expenses	–	1,880,392	–	1,297,665
Auditor's Remuneration	**300,000**	450,000	**195,885**	310,547
Repairs & Maintenance – Others	–	49,671	–	34,278
Other Expenses	–	46,810,332	–	32,303,983
Total	**(1,210,673)**	53,639,209	**(790,509)**	37,016,616
Tax Expense				
Short Provision for Income tax for earlier years	–	2,195,723	–	1,515,277
Deferred taxes	–	(1,067,549)	–	(736,720)
Total	–	1,128,174	–	778,557

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2015

Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:–

1. Basis for preparation

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRSs). The financial statements are presented in functional currency, Kenya Shillings (Kshs), which is the prevailing currency within the primary economic environment, are prepared in accordance with measurement bases prescribed by IFRSs. The preparation of the financial statement in conformity with IFRS requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the company's policies.

2. Revenue recognition

Sales of goods are recognized in the period in which the company delivers products to the customer, the customer has accepted the products and the collectibility of the related receivables are reasonably assured. Sales of services are recognized in the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services provided. Revenue represents the fair value of the consideration received or receivables for the sales of goods and services, and is stated net of Value–added tax (VAT), rebates and discounts. Interest income is recognized on a time proportion basis using the effective interest rate method.

3. Depreciation

All property, plant and equipment are initially recorded at cost. Depreciation is calculated to write off the cost of asset in equal annual instalments over their estimated useful lives. Annual rates generally in use applied on a straight line basis are as follows:

Computer equipment	–	30.00%
Furniture, fixtures and fittings	–	12.50%
Office equipment	–	12.50%

4. Inventories

Inventories are consistently valued by the directors, at the lower of cost and net realizable value.

5. Foreign Currencies

Assets and liabilities expressed in foreign currencies are stated into Kenya shillings at the rates of exchange ruling at the balance sheet date or at the forward exchange rates where forward contracts have been entered into. Transactions during the year are translated at rates ruling at date of transactions. Gains and losses on exchange are dealt with in the income statement.

6. Taxation

Provision for taxation has been made as per the tax rules based on the taxable profit for the year using enacted tax rates.

7. Deferred Tax

Deferred tax is provided for using the liability method, for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

8. Cash and cash equivalents

For the purposes of cash flow statement, cash and cash equivalents comprise cash in hand and bank balance net of bank overdrafts. Bank overdrafts are included in borrowings under the current liabilities in the balance sheet.

9. Borrowing costs

Interest and other finance charges incurred in the financing of fixed assets and working capital are recognised as an expense in the period in which they are incurred.

10. Significant accounting judgements and estimates

In the process of applying the company's accounting policies, directors make certain estimates and assumptions about future events. In practice, the estimated and assumed results would differ from actual results. Such 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, as described below:

Property and equipment

Directors and make estimates in determining the depreciation rates for property and equipment. The rates used are set out in the accounting policy for property and equipment.

These estimates 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 prevailing circumstances.

Impairment of non–financial assets

The company assesses whether there are any indicators of impairment for all non–financial assets at each reporting date. Non–financial assets are tested for impairment when there are indicators that the carrying amount may not be recoverable.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that the 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 together with future planning strategies.

Income taxes

The company is subject to income taxes under the Kenya Income Tax Act. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and the deferred tax provisions in the period in which such determinations are made.

11. Critical Accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the accounting policies, management has made judgements in determining:

Allowance for obsolete inventories

Directors review the inventories on an annual basis to assess the likelihood of obsolescence. In determining whether an inventory item is obsolete, directors make judgments as to whether the inventory item can be used as an input in production or is in saleable conditions.

Allowance for doubtful debts

The company reviews its receivables' portfolio regularly to assess the likelihood of impairment. This requires an estimation of the amounts that are irrecoverable.

Going concern

In our opinion and according to the information and explanations given to us, the company's management has made an assessment of the company's ability to continue as a going concern, and are of the view that the company has no resources to continue in business for the foreseeable future. Furthermore, the management is and are satisfied that are material uncertainties that cast significant doubt upon the company's ability to continue as a going concern. Therefore the financial statements cannot continue to be prepared on a going concern basis.

12. Receivables

Trade receivables are stated at the expected realisable value. No provision has been made for doubtful debts at the end of the year since there is no foreseen eventuality of bad debts.

13. Trade payables

Trade and other payables are stated at their nominal value. Liabilities are recognised for amounts payable in future for goods or services already received whether billed or not.

14. Equity

Share capital is determined using the nominal values of shares that have been issued.

Retained earnings include all current and prior results as disclosed in the statement of comprehensive income.

15. De–recognition of financial assets

The company derecognises a financial asset only when contractual rights to the cash flows from assets expire, or it transfers the financial assets and substantially all the risk and rewards of ownership of the asset to another entity.

16. De–recognition of financial liabilities

The company derecognises financial liabilities when, and only when, its obligations are discharged, cancelled or they expire.

17. Retirement benefits cost

The company does not have a retirement scheme other than the statutory National Social Security Fund. This is a defined contribution scheme registered under the National Social Security Act and are generally shared by the employee and the employer. The company's contributions are charged to the income statement.

18. Investments

Non–current investments are shown at cost. No provision has been made for diminution in value. Where there is a diminution in the value of an investment, it will be recognised as an expense or revenue in the same period it is identified.

19. Financial risk management

The company's activities do expose it to a variety of risks such as credit risk taking, foreign currency exchange rates fluctuations and high interest charges among others. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance within the options available in Kenya to hedge against such risks.

Risk management is carried out by the head of finance under principles and policies approved by the directors. The head of finance provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risks, credit risk and hedges financial risks.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2015

		2015 KSH	2014 KSH
1.	**TURNOVER**		
	Service income	**–**	35,195,279
2.	**COST OF SALES**		
	Purchases and direct expenses	**(305,800)**	6,023,414
		(305,800)	6,023,414
3.	**DISTRIBUTION COSTS**		
	Staff costs – delivery	**–**	19,431,225
	Communications	**–**	499,891
	Insurances	**–**	345,222
		–	20,276,338
4.	**SELLING & MARKETING COSTS**		
	Business promotion	**–**	45,400
	Staff welfare	**–**	258,085
	Telephone,postage and internet	**–**	66,436
	Travelling and conveyance	**–**	176,111
		–	546,032
5.	**ADMINISTRATIVE EXPENSES**		
	Staff cost (Note 6)	**–**	–
	Staff welfare	**–**	3,440
	Rent	**–**	2,009,963
	Electricity and water charges	**–**	13,110
	Insurances	**(1,510,673)**	1,214,808
	Motor vehicle hire and expenses	**–**	959,287
	Travelling expenses	**–**	204,704
	Conveyance costs	**–**	540,290
	Audit fees	**300,000**	450,000
	Telephone,postage and internet	**–**	253,984
	Repairs and maintainance	**–**	49,671
	Intercompany management fees	**–**	2,009,549
	Consultancy fees	**–**	1,387,255
	Miscellaneous expenses	**–**	1,481,490
	Stationery and Printing	**–**	61,921
	Security expenses	**–**	97,346
	Gifts & Donations	**–**	46,140
	Bad debts written off	**–**	278,396
	Fines and penalties	**–**	10,321,589
	Loss on disposal of fixed assets	**–**	31,126,646
	Depreciation	**–**	–
		(1,210,673)	52,509,589

		2015 KSH	2014 KSH
6.	**STAFF COSTS**		
	The following items are included within staff costs:–		
	Salaries and wages – Distribution	**–**	19,431,225
	Salaries and wages – Selling and marketing	**–**	–
	Salaries and wages – Administration	**–**	–
		–	19,431,225
7.	**FINANCE CHARGES**		
	Bank charges and commission	**550**	104,630
	Unrealised exchange loss (net)	**–**	–
	Realised exchange loss (net)	**(2,726)**	414,851
		(2,176)	519,481
8.	**PROFIT / (LOSS) BEFORE TAXATION**		
	Profit /(loss) before taxation is arrived at after charging:–		
	Auditors remuneration	**300,000**	450,000
	Depreciation	**–**	–
	Foreign exchanges (gain)/loss net	**–**	–
9.	**TAXATION**		
	Statement of financial position:		
	Balance brought forward	**(21,023,092)**	(16,601,393)
	Charge for the year	**–**	–
	Underprovission of taxes previous years		2,195,723
	Payments during the year		(6,617,422)
		(21,023,092)	(21,023,092)
	Statement of comprehensive income:		
	Tax based on profit for the year as adjusted for tax purposes:–		
	Corporation tax – 30%	**–**	–
	Underprovission of taxes previous years	**–**	2,195,723
	Deferred tax (Note 10)	**–**	(1,067,549)
		–	1,128,174
	Tax as per self assessement return has been paid and will be declared in the account to be filed with the Kenya Revenue Authority.		
	Accounting profit as per the accounts	**1,518,649**	(23,729,342)
	Tax calculated at a tax rate of 30%	**455,595**	(7,118,803)
	Tax effect of:		
	Income not subject to tax	**–**	(10,405,542)
	Expenses not deductible for tax purposes	**–**	12,574,811
	Deffered tax	**–**	(1,067,549)
	Taxable losses unutilised	**(455,595)**	4,949,534
	Underprovission of taxes previous years	**–**	2,195,723
	Tax expense	**–**	1,128,174
10.	**DEFERRED TAX**		
	At beginning of year	**–**	1,067,549
	Income statements – (credits/charge)	**–**	(1,067,549)
	Balance as at 31 December, 2015	**–**	–

Movements in temporary differences between calculations of certain items for accounting

	Movements during the year 31.12.2013 KSH	Movements during the year 31.12.2014 KSH	Movements during the year 31.12.2015 KSH	Balance 31.12.2015 KSH
Fixed Assets	3,558,496	(3,558,496)	–	–
Unrealised exchange (gain)/loss	–	–	–	–
	3,558,496	(3,558,496)	–	–
Deferred Tax Asset	1,067,594	(1,067,594)	–	–

11. SHARE CAPITAL

AUTHORISED SHARE CAPITAL		
1,000 Ordinary shares of Kshs 100 each	100,000	100,000
ISSUED SHARE CAPITAL		
1,000 Ordinary shares of Kshs 100 each	100,000	100,000

12. FINANCIAL RISK MANAGEMENT

Fair values

The carrying amounts of cash and cash equivalents, loan from related parties and accruals approximate their fair values.

The company's activities are exposed to a variety of financial risks, including:

- Liquidity risk
- Credit risk
- Currency risk
- Capital risk management

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework.

Particulars	On demand KSH	Less than 3 months KSH	3 to 12 months KSH	1 to 5 years KSH	Total KSH
Year Ended 31 December 2014					
Trade payables	–	8,054,307	–	–	8,054,307
Other liabilities	–	2,749,433	–	–	2,749,433
	–	10,803,740	–	–	10,803,740
					10,803,740
Year Ended 31 December 2015					
Trade payables	**–**	**6,237,834**	**–**	**–**	**6,237,834**
Other liabilities	**–**		**2,025,733**	**–**	**2,025,733**
	–	**6,237,834**	**2,025,733**	**–**	**8,263,567**

Credit Risk

Credit risk is the risk that a counter party 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 operating activities (primarily for trade receivables), including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments).

Currency risk

The company has certain financial assets and financial liabilities denominated in foreign currencies. Consequently, the company is exposed to the risk that the exchange rate of Kenyan shillings (Kshs.) relative to those foreign currencies may change in a manner which has a material effect on the reported value of the company's financial assets and liabilities which are denominated in foreign currencies.

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other shareholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as trade payables and other payables less cash and cash equivalents. Total capital is calculated as 'equity' (i.e. share capital plus reserves.

	2015 KSH	2014 KSH
Trade and other payables (note)	**8,263,607**	10,803,740
Bank overdraft (Note)	**–**	
Cash and short term deposits (note 19)	**(57,740)**	(1,079,224)
Net debt	**8,205,867**	9,724,516
Share capital (Note)	**100,000**	100,000
Retained earnings (Note)	**12,717,224**	11,198,575
Total capital	**12,817,224**	11,298,575

13. OPERATING LEASE COMMITMENTS

Operating leases are recorgnised as an expense in the income statements on a straight line basis over the lease term.

The company is in a commercial leases on certain property which is used as an office or guest house for its employees and items of machinery. These leases have an average life of one year with several options included in the contracts. There are restrictions placed upon the company by entering into these leases.

Future rentals payable under cancellable operating leases are as follows;

	2015 KSH	2014 KSH
Lease payments made during the year	**–**	2,009,963

14. TRADE AND OTHER PAYABLES

Trade payables	**8,054,307**	24,080,995
Due to affiliated companies (see note 19)	**–**	56,353,832
Other payables	**2,749,433**	25,641,342
	10,803,740	106,076,169

15. BORROWINGS

Total borrowings	**–**	–
Less:Current portion	**–**	–
Non– Current portion	**–**	–

16. CONTIGENT LIABILITIES

There exist a contingent liability due to an assessment by Kenya Revenue Authority of taxes for previous years amounting to Kshs 164,995,483.00. However the company has appealed against this assessement and are awaiting the ruling. Towards this assessement, the company has paid an amount of Kshs 12,492,793 under protest to KRA against the above order.

17. PROPERTY, PLANT AND EQUIPMENTS

Cost or Valuation	EDP Computers KSH	Furniture & Fittings KSH	Office Equipment KSH	Tools & Equipment KSH	TOTAL KSH
Balance 1 January 2014	5,693,141	5,028,155	1,308,895	51,028,708	63,058,899
Additions			10,275		10,275
Deletions	(5,693,141)	(5,028,155)	(1,319,170)	(51,028,708)	(63,069,174)
As at 31 December 2014	–	–	–	–	–
Balance 1 January 2015	–	–	–	–	–
Additions	–	–	–	–	–
Deletions	–	–	–	–	–
As at 31 December 2015	**–**	**–**	**–**	**–**	**–**
Depreciation					
Balance 1 January 2014	5,625,240	3,327,375	933,959	21,499,956	31,386,530
Additions	–	–	–	–	–
Deletions	(5,625,240)	(3,327,375)	(933,959)	(21,499,956)	(31,386,530)
As at 31 December 2014	–	–	–	–	–
Balance 1 January 2015	–	–	–	–	–
Additions	–	–	–	–	–
Deletions	–	–	–	–	–
As at 31 December 2015	**–**	**–**	**–**	**–**	**–**
As at 31 December 2014	–	–	–	–	–
As at 31 December 2015	**–**	**–**	**–**	**–**	**–**

	2015 **KSH**	2014 KSH
18. STOCKS		
Work in Progress	–	–
19. TRADE AND OTHER RECEIVABLES		
Trade receivables	–	–
Dues from Affiliated Companies	–	–
Other receivables	–	–
	–	–

	2015	2014
	KSH	KSH
20. CASH AND CASH EQUIVALENTS		
Cash in hand	–	–
Cash at bank	57,740.00	1,079,224
	57,740.00	1,079,224

21. COMPARATIVES

Some comparatives have been changed to conform to current year's presentation

22. HOLDING COMPANY

GTL Limited, a company incorporated in India, is the ultimate holding company.

23. COUNTRY OF INCORPORATION AND REGISTERED OFFICE

The Company is incorporated in Kenya under the Companies Act and domiciled in Kenya.

The address of its registered office is 3rd Floor, Maksons Plaza, Parklands Road, Westlands, P.O. Box 38336 – 00623, Nairobi.

24. CURRENCY

These financial statements are presented in Kenyan Shillings (Kshs)

BOARD OF DIRECTORS' STATEMENT

REGARDING

THE RESPONSIBILITY FOR THE FINANCIAL STATEMENT AS OF 31 DECEMBER 2015 AND FOR THE YEAR ENDED 31 DECEMBER 2015

PT. GTL INDONESIA

We, the undersigned:

Name	: Mr. Anup Kumar Gawdi
Office	: Jl. Cikini 2 No. 8, Menteng, Jakarta Pusat
Domicile Address	: Jl. Cikini II No. 8, Kelurahan Cikini Kecamatan Menteng, Jakarta Pusat
As stated in ID	: Z2231400
Phone Number	: +62 – 21 319 086 43
Function	: President Director

Declare that:

1. We are responsible for the preparation and presentation of PT GTL Indonesia financial statement;
2. PT. GTL Indonesia financial statement have been prepared and presented in accordance with accounting principles generally accepted in Indonesia;
3. a. Information in PT. GTL Indonesia financial statement has been disclosed in a complete and truth manner;
   b. PT. GTL Indonesia financial statement do not contain any incorrect information or material fact, nor do we omit information or material fact;
4. We are responsible for PT GTL Indonesia internal control system.

We certify the accuracy of this statement.

For and on behalf of the Board of Directors

Anup Kumar Gawdi
President Director

INDEPENDENT AUDITORS' REPORT

The shareholders and the Boards of Commissioners and Directors of Pt. GTL Indonesia

We have audited the balance sheet of Pt. GTL Indonesia (the Company) as of December 31, 2015 and December 31, 2014 and the related statements of income, statement of changes in shareholders' equity, and cash flows for the period of 12 (twelve) months ended December 31, 2015 and 12 (twelve) months ended December 31, 2014, which are expressed in Indonesian Rupiah. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards established by the Indonesian Institute of Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believed that our audits provide a reasonable basis for our opinion.

Currently the Company is in reviewing mode and has no business activity in Indonesia Region. The Company may start its business operation depends on Company Future Business Stratety for Indonesia Region. In lieu of the same, Company has submitted a Letter of Declaration to Badan Koordiansi Penanaman Model (BKPM) (The Company Investment Authortity of Indonesia) by Letter number: GTL/Indo/2015/0732 that Pt. GTL Indonesia do not support to any illegal/Negative marked business entity in Indonesia region as declared by BKPM via letter no. UU/1/IV/PMA/Industry List/2011 and also Company is not involved in any kind of money laundering which harm Indonesia economy in any terms whatsoever. Company got notification and approval letter from BKPM via letter number 357/1/IU/III/PMA/Telekomunikasi/2016 regarding non–business operations activities in 2015 and not involved in any illegal activity or support terrorism. Company is not doing business in Indonesia region in FY 2015 as per their Management decision.

In our opinion, the financial statement referred to above present fairly, in the material respects, the financial positions of Pt. GTL Indonesia as of December 31, 2015 and December 31, 2014 and the result of its operations, statements of change in shareholders' equity and its cash flows for the period of 12 (twelve) months ended December 31, 2015 and 12 (twelve) months ended December 31, 2014 in conformity with generally accepted accounting principles in Indonesia.

BUDI ISWANTO

Drs Farida Damywati, CPA
NRAP No. RT0543
Jakarta, February 20, 2016

Budi Isvanto
Head – Audit Team

Yongki Gunawan
Manager – Audit Team

BALANCE SHEET AS AT 31ST DECEMBER, 2015

	As at 31st December 2015 IDR	As at 31st December 2014 IDR	As at 31st December 2015 INR	As at 31st December 2014 INR
I. EQUITY AND LIABILITIES				
SHAREHOLDER'S FUNDS				
Share Capital	**1,532,133,911**	1,532,133,911	**7,378,471**	7,836,300
Reserves and Surplus	**(78,096,912,224)**	(69,711,990,034)	**(376,100,180)**	(356,551,145)
	(76,564,778,313)	(68,179,856,123)	**(368,721,709)**	(348,714,845)
NON–CURRENT LIABILITIES				
Long–term borrowings	**76,480,278,633**	68,250,693,414	**368,314,774**	349,077,151
Deferred tax liabilities (Net)	**–**	–	**–**	–
Other Long term liabilities	**–**	–	**–**	–
Long term provisions	**104,267,857**	104,267,857	**502,135**	533,292
	76,584,546,490	68,354,961,271	**368,816,908**	349,610,443
CURRENT LIABILITIES				
Short–term borrowings	**6,000,000,000**	6,000,000,000	**28,894,882**	30,687,789
Trade payables (including Acceptances)	**512,017,124**	512,017,124	**2,465,779**	2,618,779
Other current liabilities	**–**	–	**–**	–
Short–term provisions	**1,414,876,652**	1,218,010,977	**6,813,782**	6,229,677
	7,926,893,776	7,730,028,101	**38,174,444**	39,536,246
Total	**7,946,661,953**	7,905,133,249	**38,269,644**	40,431,844
II. ASSETS				
NON–CURRENT ASSETS				
Fixed assets				
Tangible assets	**1**	1	**0**	0
Intangible assets	**–**	–	**–**	–
Capital work–in–progress	**–**	–	**–**	–
	1	1	**0**	0
Non–current investments				
Deferred tax assets (net)	**4,451,808,060**	4,451,808,060	**21,439,078**	22,769,358
Long term loans and advances	**715,421,041**	662,238,862	**3,445,334**	3,387,108
Other non–current assets				
	5,167,229,101	5,114,046,922	**24,884,413**	26,156,466
CURRENT ASSETS				
Current investments	**–**	–	**–**	–
Inventories	**–**	–	**–**	–
Trade receivables	**1,023,370,531**	1,023,370,531	**4,928,362**	5,234,163
Cash and cash equivalents	**–**	11,653,475	**–**	59,603
Short–term loans and advances	**1,756,062,320**	1,756,062,320	**8,456,869**	8,981,612
Other current assets	**–**	–	**–**	–
	2,779,432,851	2,791,086,326	**13,385,231**	14,275,378
Total	**7,946,661,953**	7,905,133,249	**38,269,644**	40,431,844

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD

	1-Jan-15 to 31-Dec-15	1-Jan-14 to 31-Dec-14	**1-Jan-15 to 31-Dec-15**	1-Jan-14 to 31-Dec-14
	IDR	IDR	**INR**	INR
Revenue from operations	**–**	1,353,315,488	**–**	6,902,053
Other Income	**–**	–	**–**	–
Total Revenue	**–**	1,353,315,488	**–**	6,902,053
Expenses:				
Cost of Purchases	**–**	4,551,423,093	**–**	23,212,744
Changes in inventories of finished goods, work–in–progress and Stock–in–Trade	**–**	–	**–**	–
Employee benefits expenses	**–**	448,767,946	**–**	2,288,764
Finance Costs	**–**	(60,015,984)	**–**	(306,088)
Depreciation and amortization expense	**–**	711,134,750	**–**	3,626,863
Other expenses	**8,384,922,190**	9,401,675,204	**39,898,896**	47,949,547
Total Expenses	**8,384,922,190**	15,052,985,009	**39,898,896**	76,771,831
Profit before exceptional and extraordinary items and tax	**(8,384,922,190)**	(13,699,669,521)	**(39,898,896)**	(69,869,777)
Exceptional Items	**–**	–	**–**	–
Profit before extraordinary items and tax	**(8,384,922,190)**	(13,699,669,521)	**(39,898,896)**	(69,869,777)
Extraordinary Items	**–**	–	**–**	–
Profit before tax	**(8,384,922,190)**	(13,699,669,521)	**(39,898,896)**	(69,869,777)
Tax expense:				
Current tax	**–**	(2,257,439,677)	**–**	(11,513,183)
Deferred tax Liability / (Asset)	**–**	–	**–**	–
Profit / (Loss) from the period after Tax	**(8,384,922,190)**	(11,442,229,844)	**(39,898,896)**	(58,356,594)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2015

	Jan 1, 2015 to Dec 31, 2015 IDR	Jan 1, 2014 to Dec 31, 2014 IDR
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	**(230,123,780)**	(11,442,229,845)
Adjustments to reconcile net loss		
to net cash provided by (used in) operating activites :		
Depreciation	–	617,101,391
Deffered tax expenses (benefit)	–	(868,054,592)
Allowance (settlement) on liability for employee benefits – net	–	19,450,461
Changes in operating assets and liabilites :		
Accounts receivable	–	3,213,597,574
Other receivables	–	(291,469,251)
Prepaid expenses	–	5,370,371
Prepaid taxes	**(0)**	(346,551,031)
Other current assets	–	(6,829,829)
Claim for tax refund	–	
Due from related parties	**(76,982,178)**	(57,705,640)
Security deposits and other assets	–	(23,800,000)
Account payable	**0**	275,934,681
Taxes payable	**155,061,043**	(767,243,878)
Accruals	**41,804,631**	(41,420,952)
Net Cash Provided from Operating Activities	**(110,240,283)**	(9,713,850,540)
CASH FLOWS FROM INVESTING ACTIVITES		
Acquisitions of fixed assets	–	(24,100,000)
Net Cash Provided from (Used in) Investing Activities	–	(24,100,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of short–term loan	–	(1,990,507,255)
Increase (decrease) in due to related parties	**9,234,787,528**	9,755,130,490
Net Cash Provided from (Used in) Financing Activities	**9,234,787,528**	7,764,623,236
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANK	**9,124,547,245**	(1,973,327,303)
CASH ON HAND AND IN BANKS AT BEGINNING OF YEARS	**(1,151,261,711)**	822,065,592
Foreign exchange variance	–	–
CASH ON HAND AND IN BANK AT END OF YEARS	**7,973,285,534**	(1,151,261,711)

STATEMENT OF CHANGES IN EQUITIES
ENDED DECEMBER 31, 2015 AND COMPARE WITH DECEMBER 31, 2014

	Notes	Share Capital IDR	Foreign Exchange Difference on paid–in capital IDR	Deficit IDR	Net Capital Deficiency IDR
Balance as of Jan 1, 2014	10, 19	1,622,250,000	(46,175,000)	(58,269,760,191)	(56,693,685,191)
Net Income		–	(43,941,089)	(11,442,229,845)	(11,486,170,934)
Balance as of December 31, 2014	10, 19	1,622,250,000	(90,116,089)	(69,711,990,036)	(68,179,856,125)
Net Income (Loss)		–	–	(8,384,922,190)	(8,384,922,190)
Balance as of December 31, 2015	**10, 19**	**1,622,250,000**	**(90,116,089)**	**(78,096,912,226)**	**(76,564,778,315)**

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2015

	As at 31st December 2015 IDR	As at 31st December 2014 IDR	As at 31st December 2015 INR	As at 31st December 2014 INR
Share Capital				
Issued, subscribed and paid up:				
175,000 Common Shares fully paid–up of Rp 9,270 (US 1) each	**1,622,250,000**	1,622,250,000	**7,812,454**	8,297,211
Foreign exchange difference	**(90,116,089)**	(90,116,089)	**(433,982)**	(460,911)
Total	**1,532,133,911**	1,532,133,911	**7,378,471**	7,836,300
Reserves and Surplus				
General Reserve				
Opening balance	**–**	–	**–**	–
Add: Transferred from Profit & Loss Account	**–**	–	**–**	–
Closing Balance	**–**	–	**–**	–
Translation Reserve	**–**	–	**23,958,801**	3,608,940
Profit & Loss Account :				
Surplus – Opening Balance	**(69,711,990,034)**	(58,269,760,190)	**(360,160,085)**	(301,803,491)
Add : Net profit after tax transferred from Statement of Profit and L	**(8,384,922,190)**	(11,442,229,844)	**(39,898,896)**	(58,356,594)
Amount available for appropriation	**(78,096,912,224)**	(69,711,990,034)	**(400,058,981)**	(360,160,085)
Appropriation :				
Transfer to Debenture Redemption Reserve	**–**	–	**–**	–
Surplus – Closing Balance	**(78,096,912,224)**	(69,711,990,034)	**(400,058,981)**	(360,160,085)
Total	**(78,096,912,224)**	(69,711,990,034)	**(376,100,180)**	(356,551,145)
Unsecured Borrowings				
Loans & Advances from Related Parties	**76,480,278,633**	68,250,693,414	**368,314,774**	349,077,151
Total	**76,480,278,633**	68,250,693,414	**368,314,774**	349,077,151
Total of Long Term Borrowings	**76,480,278,633**	68,250,693,414	**368,314,774**	349,077,151
Long Term Provisions				
Provision for employee benefits				
Provision for Gratuity	**104,267,857**	104,267,857	**502,135**	533,292
Total	**104,267,857**	104,267,857	**502,135**	533,292
Short Term Borrowings				
Secured / Unsecured				
Loans repayable on demand:				
From Banks				
– Cash Credit	**6,000,000,000**	6,000,000,000	**28,894,882**	30,687,789
Total	**6,000,000,000**	6,000,000,000	**28,894,882**	30,687,789
Trade Payables				
Trade Payables	**512,017,124**	512,017,124	**2,465,779**	2,618,779
Total	**512,017,124**	512,017,124	**2,465,779**	2,618,779
Other Current Liabilities				
Provision for Expenses	**258,372,288**	216,567,656	**1,244,273**	1,107,664
Accrued salaries & benefits	**355,355,644**	355,355,644	**1,711,327**	1,817,513
Statutory Dues Payable	**801,148,720**	646,087,677	**3,858,183**	3,304,500
Total	**1,414,876,652**	1,218,010,977	**6,813,782**	6,229,677

	As at 31st December 2015 IDR	As at 31st December 2014 IDR	As at 31st December 2015 INR	As at 31st December 2014 INR
Long term loans and advances				
Loans & Advances to Related Parties	**691,621,041**	638,438,862	**3,330,718**	3,265,380
Other Loans & Advances	**–**	–	**–**	–
Total	**715,421,041**	662,238,862	**3,445,334**	3,387,108
Trade Receivables				
Debts outstanding for a period exceeding six months				
Unsecured				
Considered good	**916,380,906**	916,380,906	**4,413,120**	4,686,951
Considered doubtful	**–**	–	**–**	–
	916,380,906	916,380,906	**4,413,120**	4,686,951
Less: Provision for doubtful debts	**–**	–	**–**	–
	916,380,906	916,380,906	**4,413,120**	4,686,951
Other debts				
Unsecured				
Considered good	**106,989,625**	106,989,625	**515,242**	547,213
Considered doubtful	**–**	–	**–**	–
	106,989,625	106,989,625	**515,242**	547,213
Total	**1,023,370,531**	1,023,370,531	**4,928,362**	5,234,163
Cash and cash equivalents				
Balances with Banks				
Balance in current account with a Non–Scheduled Bank	**–**	11,653,475	**–**	59,603
Balances with Bank held as margin money	**–**	–	**–**	–
Total	**–**	11,653,475	**–**	59,603
Others				
Advance Income Tax & Tax Deducted at source	**1,700,024,480**	1,700,024,480	**8,187,001**	8,694,999
Others	**56,037,840**	56,037,840	**269,868**	286,613
Total	**1,756,062,320**	1,756,062,320	**8,456,869**	8,981,612
Revenue from Operations				
Sale of Services				
Telecom Services	**–**	1,353,315,488	**–**	6,902,053
Total	**–**	1,353,315,488	**–**	6,902,053
Purchase of Material (Non – trade) & Services				
Sub Contractor Charges	**–**	4,551,423,093	**–**	23,212,744
Total of Purchase of Material (Non – trade) & Services	**–**	4,551,423,093	**–**	23,212,744
Total of Purchases	**–**	4,551,423,093	**–**	23,212,744
Employee Benefit Expense				
Salaries	**–**	448,767,946	**–**	2,288,764
Total	**–**	448,767,946	**–**	2,288,764

	As at 31st December 2015 IDR	As at 31st December 2014 IDR	As at 31st December 2015 INR	As at 31st December 2014 INR
Finance Costs				
Interest Expense				
Interest on Borrowings	–	(60,015,984)	–	(306,088)
Total	–	(60,015,984)	–	(306,088)
Other Expenses				
Consumption of Stores & Spares				
Communication Expenses	–	16,340,200	–	83,337
Business Promotion Expenses	–	2,800,000	–	14,280
Rent	–	4,798,000	–	24,470
Electricity Charges	–	3,268,741	–	16,671
Legal and Professional Fees	**19,000,000**	34,000,000	**90,410**	173,404
Travelling & Conveyance Expenses	–	258,357,622	–	1,317,651
Auditor's Remuneration	**25,000,000**	–	**118,960**	–
Repairs & Maintenance – Others	–	15,000,000	–	76,502
Net (Gain)/Loss on Foreign Currency Transactions	–	9,067,110,641	–	46,243,232
Other Expenses	**8,340,922,190**	–	**39,689,526**	–
Extraordinary Expenditure (to be identified seperately)	–	–	–	–
Total	**8,384,922,190**	9,401,675,204	**39,898,896**	47,949,547
Tax Expense				
Current Tax	–	–	–	–
Deferred taxes	–	(2,257,439,677)	–	(11,513,183)
Total	–	(2,257,439,677)	–	(11,513,183)

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2015

1. GENERAL

PT IGTL Solution Indonesia ("the Company") was established within the framework of foreign capital investment law, based on notarial deed No. 2 dated April 28, 2006 of Ruli Iskandar, S.H. The deed of establishment was approved by Ministry of Justice and Human Right of Republic Indonesia in its decision letter No. C–17396. HT.01.01.TH.2006 dated June 14, 2006. Based on notarial deed No. 8 dated 22 October, 2008 of Yulia Harastiati, S.H., the name of the Company was changed from PT IGTL Solution Indonesia to become PT GTL Indonesia. The deed of were approved by the Ministry of Justice and Human Right of the Republic of Indonesia in its decision letter No. AHU/9152.AH.01.02 dated 22 October, 2008.

Based on Notarial deed No. 30 dated June 4, 2009 of H. Feby Rubein Hidayat, S.H., the Company's articles of association was amended in relation to the merger transaction with PT ADA Cellworks Indonesia. The amendment was approved by the ministry of Justice and Human Rights of the Republic of Indonesia in its decision letter No.AHU–27732.AH.01.02. Year 2009 dated June 23, 2009.

The Company's articles of association has been amended several times, the latest amendment of which was based on notarial deed No. 75 dated June 18, 2013 of Hasbullah Abdul Rasyid, S.H., M.Kn., concerning the change in composition of shareholders, board of director and domicile of the Company.

In accordance with the Company's articles of association, the Company is engaged in providing management consultancy services in telecommunication and system. The business activities of the company are as follows:

– In its activities cooperated with other national company.

– Plants and designs the framework of management development in the field of telecommunication.

  Plants and designs the framework of management development in the field of telecommunication.

– Provides management development services for the sale in the field telecommunication.

  Provides management development services for the sale in the field telecommunication.

– Others, such as:

  Others related services, such as:

  a. Takes a role as developer, import and export of information Technology, including hardware and software and identifies the tools needed to implement the tasks.

  b. Provides value added services support in technology and in every aspects of telecommunications, including products, sales installation, services maintenance with respect to the type of products available.

  c. Provides consulting contract referred to other firms and companies which have the know and knowledge about Information Technology and telecommunication. Provides training, seminar and short programs in hardware and software of technology and telecommunications

  The Company is located at Jl. Cikini 2 No. 8 Menteng, Central Jakarta – Indonesia

  As of December 31, 2015 the current composition of the Company's Commissioner and Director are follows :

Commissioner	:	Mr. Milind Vasand Bapat
President Director	:	Mr. Anupkumar Daulatram Gawdi

  As of December 31, 2014 the previous composition of the Company's Commissioner and Director are follows :

Commissioner	:	Mr. Milind Vasand Bapat
President Director	:	Mr. Anupkumar Daulatram Gawdi

  The company have 0 and 3 permanent employees (unaudited) as of December 31, 2015 and 2014 , respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Financial Statements

The financial statements are presented in accordance with the generally accepted accounting principles in Indonesia (Statements of Financial Accounting Standards or PSAK). The financial statements have been prepared under the historical cost basis of accounting, except for certain other non–current assets which are stated at fair value.

The statement of cash flows presents cash receipts and payments classified into operating, investing and financing activities. The cash flows from operating activities are presented using the indirect method.

The reporting currency used in the financial statements is the "Rupiah".

To comply with the head office and corporate accounting policy, commencing from year 2013, the Company accounting period started on January 1 and ended on December 31. Hence financial report is prepared and compared with current period of accounting for 12 months commencing from January 1, 2015 and ended on December 31, 2015 to comply with corporate management request.

b. Transactions with Related Parties

The Company enters into transactions with related parties as defined in Statement of Financial Accounting Standards ("SFAS") 7 "Related Party Disclosure". A related party includes among others, a relationship between:

Individual owning, directly, or indirectly, an interest in the voting power of the Company that gives significant influence over the Company, and close members of the family of any such individuals;

Key management personal, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors and officers of the Company and close member of the families of such individual.

Enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described above or over which such person is able to exercise significant influence; this includes enterprises owned by director or commissaries, main shareholder and Companies who have key persons at this enterprise.

c Receivables

Receivables are presented at their estimated recoverable value. Doubtful accounts are provided for based on management's review of the status of each account at the end of the year. Receivables are written off during the period in which they are determined to be not collectible.

d. Prepaid Expenses

Prepaid expenses are amortized over the periods benefited based the straight–line method

e. Fixed Assets

Fixed Asset are stated at cost, less accumulated depreciation and impairment loss, if any. Such cost includes the cost of major replacing part of the fixed assets as incurred. When significant renewals and betterments are done, the cost there of is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. All other repairs and maintenance cost that do not meet the recognition criteria are charged directly to operations as incurred.

An item of fixed assets is derecognized upon disposal or when future economic benefits are not expected from its use or as disposal. Any gain or loss arising on DE recognition of the assets (calculated as difference between the net disposal proceeds and the carrying amount of the asset) is credited or charged to operations.

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

Depreciation is computed on the straight–line method over the estimated useful lives of the assets, as follows:

	Years
Tools and Equipment	3 – 8
Computer and printers	8
Furniture and Fixtures	4

f. Impairment of Asset Value

In accordance with PSAK No. 48, "Impairment of Asset Value", the Company reviews whether there is an indication of assets impairment at balance sheet date. If there is an indication of assets impairment, the Company estimates the recoverable amount of the assets. Impairment of assets is recognized as a charge to current operations.

g. Revenue and Expenses Recognition

1 Revenue from services rendered is recognized as the service is performed

2 Income from turnkey projects is recognized 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 identify remains even after project completion, revenues is recognized based on delivery at site to the costumers.

3 In case of fixed price contracts, revenue is recognized based on the milestones achieved as specified in the contracts.

4 Income from annual maintenance contracts and annual subscription is accounted for in the ratio of the period expired to the total period of contract and amount received from customer and amount received from customers towards unexpired portion of annual maintenance contracts and annual subscriptions is shown as advances received from customers which is accounted as income in the following financial year (s)

The advances as mentioned above are reported in balance sheets in gross and it is not deducted with advance received from customer.

Expenses are recognized on accrual basis.

h. Estimated Liability for Employees Benefits

The company recognizes its unfunded employee benefits liability in accordance with labor Law No. 13/2003 dated March 25, 2003 ("the Law") and PSAK No. 24 (Revised 2004), on "Employee Benefits". Under PSAK No. 24 (Revised 2004), the Cost of providing employee benefits under the Law is determined using the projected–unit–credit actuarial valuation method. Actuarial gains or losses are recognized as income or expenses when the net cumulative unrecognized actuarial gain or losses for each individual plan at the end of the previous reporting year exceed 10% of the present value of the defined obligation at that date. these gains or losses in excess of the 10% threshold are recognized on a straight–line basis over the expected average remaining working lives of the employees. Further, past service cost arising from the introduction of a defined benefit plan or changes in the benefits concerned become vested.

i. Foreign currency Transactions and Balances

The Company maintains its accounting records in Indonesian Rupiah. Transactions denominated in currencies other than Rupiah are converted into Rupiah at the exchange rate prevailing at the date of the transactions. At the balance sheet date, monetary assets and liabilities in currencies other than Rupiah are translated at the exchange rate prevailing at the balance sheet date. As at the balance sheet date, the exchange rates used, based on middle rates published by Bank Indonesia, US$ 1.00 equivalent to Rp 10,800 and Rp 9,670 on December 31, 2015 and December 31, 2014 respectively. Exchange gains and losses arising on translation of monetary assets and liabilities in currencies other than Rupiah are recognized in the consolidated statement of income.

j. Taxation

Current tax expenses is provided based on the estimated taxable income for the current year. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted or substantially enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Amendments to taxation obligations are recorded when an assessment is received or, if appealed against. When the results of the appeal are determined.

k. **Financial Instruments**

k1 The company has adopted PSAK No. 50 (revised 2006), “Financial Instruments : Presentation and Disclosures” and PSAK No. 55 (revised 2006), “Financial Instruments recognition and Measurement”, which superseded PSAK No. 50, “Accounting for Certain Investment in Securities, and PSAK No. 55 (revised 1999), “Accounting for Derivative Instruments and Hedging Activities”.

PSAK No. 50 contains the requirements for the presentation of financial instruments and identifies the information that should be disclosed. The presentation requirements apply to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset. This PSAK requires the disclosure of, among others, information about factors that effect the amount, timing and certainty of an entity’s future cash flows relating to financial instruments and the accounting policies applied to those instruments.

PSAK No. 55 established the principles for recognizing and measuring financial assets, financial liabilities, and some contracts to buy or sell non–financial items. This PSAK provides for the definitions and characteristics of a derivative, the categories of financial instruments, recognition and measurement, hedge accounting and determination of hedging relationships, among others.

Initial Recognition

financial assets within the scope of PSAK No. 55 are classified as financial assets at fair value through profit or loss, loans and receivable, held to maturity investment and available–for–sale financial assets. The Company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re–evaluated this designation at each financial year end.

Financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchase or sales financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way purchase) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the assets.

As of December 31, 2014 and 2013, the Company’s financial assets include cash on hand and in banks, trade receivable, other receivable, due from related parties and security deposits, which all belong to the “loans and receivables” category.

Subsequent Measurement

The subsequent measurement of financial assets depends on their classification. The Company’s financial assets are all classified as loans and receivables which are defined as non–derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortized cost using the effective interest rate method. Gains or losses are recognized in the statement of income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

k.2 **Financial Liabilities**

Financial liabilities within the scope of PSAK No. 55 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value which, in the case of loans and borrowing, includes directly attributable transaction costs.

As of December 31, 2015 and 2014, the Company’s financial liabilities include short–term loan, accounts payable, accruals and due to related parties, which all belong to the “loans and borrowing” category.

Subsequent Measurement

The measurement of financial liabilities depends on their classification. The Company’s financial liabilities are all classified as loans and borrowings.

After initial recognition, interest–bearing loans and borrowing are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of income when the liabilities are derecognized as well as through the amortization process.

k.3 **Offsetting of financial instruments**

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

k.4 **Fair value of financial instruments**

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business at the end of the reporting period. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm’s length market transaction, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, or other valuation models.

Credit risk adjustment

The Company adjusts the price in the observable market to reflect any difference in counterparty credit risk between instruments traded in that market and the ones being valued for financial assets positions. In determining the fair value of financial liability positions, the Company’s own credit risk associated with the instrument is taken into account.

k.5 **Amortized cost of financial instruments**

Amortized costs is computed using the effective interest rate method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transactions costs and fees that are an integral part of the effective interest rate.

k.6 **Impairment of financial assets**

The Company assesses at each balance sheet date whether there is any objective evidence that a financial assets or a group of financial assets is impaired.

Financial assets carried at amortized cost

For loans and receivables carried at amortized cost, the Company first assesses 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 individual assessed financial assets, whether significant or not, the assets is included in a group of financial assets with similar credit risk characteristics and the group is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that are impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring impairment loss is the current effective interest rate.

the carrying amount of the financial asset is reduced through the use of an allowance for impairment account and the amount of the loss is recognized in the statement of income. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the financial asset. Loans and receivable, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If in a subsequent year, the amount of the estimated impairment loss increase or decrease because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance for impairment account. If a future write–off is later recovered, the recovery is recognized in profit or loss.

k.7 DE recognition of financial assets and liabilities

Financial Assets

A financial assets (or where applicable, a part of a financial assets or part of group of similar financial assets) is derecognized when: (1) the rights to receive cash flows from the asset have expired; or (2) the Company has transferred its rights to receive cash flows from the assets 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 assets, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the asset.

Financial Liabilities

A financial liabilities is derecognized when the obligation under the liability is discharged or cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different items, or the terms of an existing liability are substantially modified, such an exchange or modification is treaded as a DE recognition of the original liability and the recognition of e new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Use of Estimates

The preparation of financial statements in conformity generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported therein. Due to inherent uncertainty in making estimates, actual result reported in future periods may be based on amount which differ from those estimates.

3. CASH ON HAND AND IN BANKS

	2015	2014
Cash on Hand		–
Cash in Banks :		
PT Bank Mandiri (Persero) Tbk	–	3,257,853
PT Bank Swasedi Tbk	–	7,469,251
PT. Bank Central Asia, Tbk (Rupiah currency)	–	926,371
Total	–	11,653,475

There is no limitation stated or regulated by the bank to withdraw those bank account by the company.

4. ACCOUNT RECEIVABLES

	2015	2014
Billed receivables	**1,023,370,531**	1,023,370,531
unbilled receivables		
Others receivables	**56,037,840**	56,037,840
Total	**1,079,408,371**	1,079,408,371
As of December 31, 2013 and 2012 billed receivables consist of follows:		
Third parties :		
PT Nokia Siemens Network	**25,045,618**	25,045,618
PT Huawei Tech Investment	**34,857,545**	34,857,545
PT Ericsson Indonesia	**47,086,462**	47,086,462
Total	**106,989,625**	106,989,625
Related parties :		
IGTL Solution Sri Lanka (Pvt.) Ltd.	**107,498,175**	107,498,175
	594,503,064	594,503,064
	214,379,667	214,379,667
	916,380,906	916,380,906
	1,023,370,531	1,023,370,531

5. FIXED ASSETS

The summary of Fixed Assets are as follows:

	12 months period ended December 31, 2015			
	January 1, 2015	Addition/ Reclassification	Deduction/ Reclassification	December 31, 2015
Acquisition cost				
– Tools and equipment	6,063,655,891	–		6,063,655,891
– Computer and Printers	3,005,727,400		–	3,005,727,400
– Furniture and Fixtures	994,591,171	–	–	994,591,171
Total	10,063,974,462	–	–	10,063,974,462
Accumulated depreciation				
– Tools and equipment	6,063,655,891		–	6,063,655,891
– Computer and Printers	3,005,727,400.00		–	3,005,727,400
– Furniture and Fixtures	994,591,170	–	–	994,591,170
Total	10,063,974,461	–	–	10,063,974,461
Net Assets Total	1	–	–	1

	12 months period ended December 31, 2014			
	January 1, 2014	Addition/ Reclassification	Deduction/ Reclassification	December 31, 2014
Acquisition cost				
– Tools and equipment	6,063,655,891	–		6,063,655,891
– Computer and Printers	3,005,727,400	–	–	3,005,727,400
– Furniture and Fixtures	994,591,171	–	–	994,591,171
Total	10,063,974,462	–	–	10,063,974,462
Accumulated depreciation				
– Tools and equipment	4,417,933,735	1,645,722,156	–	6,063,655,891
– Computer and Printers	2,294,592,650	711,134,750	–	3,005,727,400
– Furniture and Fixtures	994,591,170	–	–	994,591,170
Total	7,707,117,554	2,356,856,907	–	10,063,974,461
Total	2,356,856,908			1

The depreciation expenses was charged to the following:

	Dec 2015	Dec–2014
Cost of revenues (Note 12)	**–**	–
Operating expenses (Note 13)	**–**	–
Total	**–**	–

6. SHORT TERM LOAN

The Company obtained loan facility from PT. Bank Swadesi (currently is PT. Bank of India – Indonesia). Based on Loan agreement No.42/2/BS.JSH/IX/2011 on September 30, 2011, the company obtained one–year period overdraft credit facility, with maximum amount of Rp. 11,300,000,000. The loan has been amended several time regarding the extent of due date and decrease on maximum facility, most recently by amendment No. 44/2/BOII.ISH/IX/2013 dated 27 September 2014, the maximum facility has been decreased to Rp.6,000,000,000 and will be due on September 30, 2015. The loan bear interest at the annual rates of 14%.

7. ACCOUNTS PAYABLE

This Account primarily represents liabilities in connection with service provided by the vendor and accrual operating expenses as follows :

	2015	2014
Trade Creditors	**67,091,546**	67,091,546
Expenses creditors	**208,141,776**	208,141,776
Accrued expenses	**110,506,605**	110,506,605
Others	**126,277,197**	126,277,197
Total	**512,017,124**	512,017,124

8. TAXES PAYABLE

	2015	2014
– Income Tax Article 21	**260,244,578**	209,874,660
– Income Tax Article 23	**90,250,852**	72,782,946
– Income Tax Article 26	**242,064,801**	195,213,549
– Income Tax Article 4(2)	**22,507,895**	18,151,528
– Value Added Tax – net	**186,080,593**	150,064,995
Total Taxes Payable	**801,148,720**	646,087,677

A reconciliation between income before provision for income tax, as shown in the statements of income and estimated taxable income tax are as follows :

Income (loss) before income tax per statement of income	**(8,384,922,190)**	(10,315,242,326)
Temporary differences:		
Payment of liability for employee benefits – net	**–**	19,450,461
Depreciation	**–**	(317,231,184)
Permanent differences :		
Non– deductible expenses:		
Benefits in kind	**–**	440,792,518
Taxes and penalties	**–**	352,906,155
Written off receivable	**–**	858,593,490
Entertainment and donations	**–**	226,269,993
Others	**–**	42,864,490
Income already subjected to final tax		
Interest Income	**–**	(7,825,911)
Loss (income) already subject to final tax		
Estimated taxable Income (loss)	**(8,384,922,190)**	(8,699,422,314)
Tax Losses carryover at beginning of year	**(10,154,914,554)**	(6,384,915,444)
Adjustment on tax loss carryover balance	**4,929,423,204**	4,929,423,204
Tax losses carryover at and of year	**(13,610,413,540)**	(10,154,914,554)

	2015	2014
The computation of deferred income tax expenses for the comparative periods are as follows :		
Deferred tax expense (benefit)		
Effect on the compensation on tax losses carryover against		
Estimated taxable income at enacted tax rate	**(863,874,747)**	(942,499,777)
Effect on temporary differences at enacted tax rate:		
Depreciation	**–**	79,307,796
Payment of liability for employee benefits – net	**–**	(4,862,615)
Net	**(863,874,747)**	(868,054,597)
deferred tax expense (benefit) as shown in the comparative periods consists of follows :		
Loss before income tax per statement of income	**(8,384,922,190)**	(10,315,242,326)
Income tax benefit at the applicable tax rate of 25 %	**(2,096,230,548)**	(2,578,810,582)
Tax effect on permanent differences :		
Non–deductible expenses:		
Benefits	**–**	110,198,129
Taxes and penalties	**–**	88,226,539
Written off receivable	**–**	214,648,373
Entertainment	**–**	56,567,498
Other	**–**	10,716,122
Income already subjected to final tax		
Interest Income	**–**	(1,956,478)
Loss (income) already subject to final tax	**–**	–
Adjustment on loss carry forward balance due to result on tax audit period April 2008 – March 2009	**1,232,355,801**	1,232,355,801
Deferred tax expenses (benefit) for the year	**(863,874,747)**	(868,054,597)
The details of deferred tax assets as of December 31, 2013 and 2012 are follows :		
Deferred tax assets		
Tax losses carryover	**2,369,700,473**	2,538,728,634
Estimated liability for employee benefits	**21,204,349**	26,066,964
Total	**2,390,904,822**	2,564,795,598
Deferred tax liability		
Depreciation	**2,060,903,239**	(195,095,125)
Deferred tax assets (payable) – net	**4,451,808,060**	2,369,700,473

Due to change of the Company accounting period, as stated on Indonesian General Tax Regulation No.16 year 2009, substitute to General Tax Regulation No.6 year 1983, article 28 (6), the Company's management should early propose for the changes on its accounting period to the local tax office before the running year. Upon approval on the proposal by Director General of Tax, the Company allow to apply and report its annual corporate tax based on the new accounting period, other wise the Company should report its annual tax based on previous accounting period. The estimate taxable income as stated above will differ materially if the proposal has not been approved yet by the Director General of Tax as of December 31, 2012. The above estimate corporate tax is presented as if the changes on accounting period has been approved by the director General of Tax.

9. ACCRUED EXPENSES

This account consists of accrual for the following:

	2015	2014
Salaries	**355,355,647**	355,355,647
Other	**260,567,656**	216,567,656
Total	**615,923,303**	571,923,303

10. SHARE CAPITAL

The share ownership details of the Company as of December 31, 2015 and 2014 are as follows :

Shareholders	Number of Share	Percentage of Ownership	Amount	
			U.S. Dollars	Rupiah
GTL (Singapore) Pte. Ltd.	173,740	99%	73,740	1,610,569,800
Mr. Milind Bapat	1,260	1%	1,260	11,680,200
Total	175,000	100%	75,000	1,622,250,000

Based on notarial deed No. 30 dated June 4, 2009 of H. Feby Rubein Hidayat, S.H., which has been amended with notarial deed No. 75 dated June 18, 2013 of Hasbullah Abdul Rasyid, S.H., M.Kn. the issued capital after the merger (Note 1) should be US 225,000 shares with total nominal amount equivalent to Rp 2,085,750,000. As of the completion date of these financial statements, the fully paid portion amounted to US 175,000 instead of US 225,000 as stated on the latest amendment.

Foreign exchange difference on paid–in capital represents the difference between the capital payments in US$ converted at the actual rate as transaction date and the rate specified in the article of association.

11. REVENUE

This consists of follow :

	Dec 31, 2015	Dec 31, 2014
Service Income	–	1,353,315,488
Product Sale	–	–
Total	–	1,353,315,488

12. COST OF REVENUE

The details of cost of revenues are as follows :

	Dec 31, 2015	Dec 31, 2014
Salaries, wages and other benefits	–	1,589,114,713
Project expenses	–	709,640,960
Vehicle hire project	–	152,097,494
Depreciation exp. (note 6)	–	1,645,722,156
Rental charges	–	218,177,438
Travelling expenses	–	28,528,332
Entertainment	–	62,400,000
Professional fees	–	–
Office expenses	–	128,400,000
Telecommunication	–	13,567,000
Repairs and maintenance	–	–
Visa expenses	–	3,000,000
Conveyance and others	–	775,000
Insurance	–	–
Fine and finalities	–	–
Total	–	4,551,423,093

13. OPERATING EXPENSES

The details of operating expenses are as follows :

		Dec 31, 2015	Dec 31, 2014
1.	Salary & Wages	–	448,767,946
2.	Professional & Consultancy	**19,000,000**	34,000,000
	Depreciation exp. (note 6)	–	711,134,750
	Travelling expenses	–	23,775,146
	Vehicle Hire	–	22,916,664
	Visa Expenses	–	199,875,000
	Petrol & Cognizance Expenses	–	11,790,812
	Telephone & Internet	–	14,985,588

	Dec 31, 2015	Dec 31, 2014
Audit Fee	25,000,000	–
Printing and stationary	–	–
Entertainment Expenses	–	2,800,000
Water & Electricity	–	3,268,741
Guest House Rental and Expenses	–	4,798,000
Postage and Courier	–	1,354,612
Repairs and Maintenance	–	15,000,000
Fine & Penalties	155,061,043	–
Bad debt written off	33,258,107	–
Total	232,319,149	1,494,467,260

14. ESTIMATED LIABILITY FOR EMPLOYEE BENEFITS

The Company's estimated liability for employee benefits was determined on the basis of the actuarial valuations performed by PT Sakura Aktualita Indonesia, an independent actuary, based on its reports dated Jul 25, 2014 covering the years ended Dec 31, 2013 only.

The key assumptions used in the actuarial calculations on the comparative periods are as follows :

	Dec 31, 2014	Dec 31, 2013
Annual discount rate	9%	6%
Annual salary increment	7%	7%
Table of mortality	CSO 1980	CSO 1980
Normal retirement Age	55 Years	55 Years
a. Employee benefits expense :		
Current service cost	–	11,862,903
Interest cost	–	3,892,509
Actuarial gain	–	(951,680)
Net	–	14,803,732
b. Employee benefit liability:		
Present value of benefit obligation	49,605,032	49,605,032
Unrecognized actuarial gain (loss)	54,662,825	54,662,825
Net	104,267,857	104,267,857
c. The movements in the employee benefits liability are as follows:		
Balance at beginning of period	104,267,857	104,267,857
Adjustment beginning balance		
Employee benefits expense	–	–
Payment during the year	–	–
Balance at end of year	104,267,857	104,267,857

15. ACCOUNTS AND TRANSACTIONS WITH RELATED PARTIES

The outstanding balances of the accounts with related parties are as follow:

	2015	2014
Trade receivable (Note 4)		
IGTL Solution Sri Lanka (Pvt) Ltd.	**107,498,175**	107,498,175
GTL Malaysia Ltd.	**594,503,064**	594,503,064
Adacell Wireless Eng. Pvt. Ltd.	**214,379,667**	214,379,667
Total	**916,380,906**	916,380,906
Due From related parties :		
GTL Network Service Philippines Inc.(US$ 25,834)	**361,919,935**	322,975,896
GTL Vietnam Company Limited (US$ 19,262)	**269,850,524**	240,813,524
ADA Cellworks Wireless Engineering Pvt. Ltd. (US$ 3,165)	**44,339,991**	39,568,830
GTL China Ltd (US$ 1,777)	**24,894,839**	22,216,054
GTL USA, Inc. (US$ 1,029)	**14,415,751**	12,864,558
Total	**715,421,040**	638,438,862
Due to related parties :		
GTL Network Service Malaysia Sdn. Bhd (US$ 3,319,161)	**46,499,711,879**	41,496,156,081
GTL Singapore Pte. Ltd. (US$ 2,073,859 in Dec 31, 2014 and US$ 2,059,359 in Dec 31, 2013)	**29,053,671,811**	25,927,380,009
Genesis UK (US$ 46,679)	**653,948,325**	583,580,858
GTL Limited (US$ 19,483)	**272,946,619**	243,576,466
Total	**76,480,278,633**	68,250,693,414

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table sets forth the fair values, which approximate the carrying values, of financial assets and liabilities of the company.

	2015	2014
Financial Asset		
Cash on hand and in banks	**11,653,475**	(513,390,679)
Trade receivables		
Third parties	**106,989,625**	106,989,625
Related Parties	**916,380,906**	916,380,906
Other Receivable	**(39,279,418)**	(129,896,568)
Due From related parties	**715,421,040**	638,438,862
Security deposits (Including those presented as part of other current assets)	**–**	–
Total Financial Asset	**1,711,165,628**	1,018,522,146
Financial Liabilities		
Short–term loan	**6,000,000,000**	6,000,000,000
Accounts payable	**512,017,124**	512,017,124
Accrual	**615,923,303**	574,118,672
Due to related parties	**76,480,278,633**	68,250,693,414
Total Financial Liabilities	**83,608,219,060**	75,336,829,210

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction. Other than in in a forced or liquidation sale.

The Following methods and assumptions are used to estimate the fair value of each class of financial instruments:

a. The fair values of cash on hand and in banks, trade receivables, other receivables, security deposits, accounts payable, and accruals approximate their carrying values due to their short–term maturity and nature.

b. Due from/to related parties do not have quoted market prices and their fair values cannot be reliably measured due to the absence of repayment terms; therefore the fair values stated in the above table are the same as their carrying values.

c. The carrying values of short–term loan approximates its fair value due to the floating interest rate on the loan which is subject to adjustment by the bank.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risk arising from the Company's financial instruments are foreign currency risk, credit risk and liquidity risk. The Director reviews and approves policies for managing each of these risks, which are described in more detail as follows:

a. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates.

The Company's functional currency is the rupiah. The Company's exposure to foreign exchange risk related primary to its operating activates (When revenue or expenses are denominated in a currency different from its functional currency)

The Company does not have any formal hedging policy for foreign currency risk. However, the fluctuations in the exchange rates between the rupiah and other foreign currencies provide some degree of natural hedge for the Company's foreign exchange exposure.

The following table shows the Company's assets and liabilities in foreign currencies as of Dec 31, 2014 and 2013:

As of end of December 31, 2015	Amount in Foreign Currencies		Rupiah Equivalent
Assets			
Cash on hand and in banks	US$		
Due From related parties	US$	51,067	622,454,910
Total Assets			**622,454,910**
Liabilities			
Due to related parties	US$	5,459,182	66,541,969,447
Total Assets			**66,541,969,447**
Net Liabilities			**65,919,514,537**

As of end of December 31, 2014	Amount in Foreign Currencies		Rupiah Equivalent
Assets			
Cash on hand and in banks	US$	508	24,082,056
Due From related parties	US$	51,067	622,454,910
Total Assets			**646,536,966**
Liabilities			
Due to related parties	US$	5,459,182	66,365,228,947
Total Assets			**66,365,228,947**
Net Liabilities			**65,718,691,981**

b. Credit Risk

Credit risk is the risk that a party to a financial instrument will fail to discharge its obligation and will result in a financial loss to the party. The company is exposed to credit risk arising from the credit granted to its customers. The company trades only with recognized and creditworthy third parties. It is the Company's policy that all customers who whiz to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis to reduce the exposure to bad debts. The maximum exposure to credit risk is represented by the carrying amount of the receivables as shown in the balance sheet. There is no concentration of credit risk.

With respect to credit risk arising from the other financial assets, i.e., cash on hand and in banks, the Company's exposure to credit risk arises from default of the counterparty. The Company's has a policy not to place its funds in instruments that have a high credit risk and put the funds only in bank with high credit ratings. the maximum exposure to this risk is equal to the carrying amount of the above–mentioned financial assets as disclosed in Note 4.

c. Liquidity Risk

In the management of liquidity risk, the Company monitors and maintains a level of cash on hand and in banks deemed adequate to finance the Company's operations and to mitigate the effects of fluctuation in cash flows. The Company's also regular evaluates the projected and actual cash flows, including its loan maturity, and continuously assesses conditions in the financial markets to maintain flexibility in funding by keeping committed credit facilities available.

The table below summaries the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as of Dec 31, 2015 and 2014, as follows :

	Below 1 Year	Over 1 Year	Total	Carrying value as of Dec 31, 2015
Short–term loan	–	6,000,000,000	6,000,000,000	6,000,000,000
Accounts payable	193,368,743	318,648,381	512,017,124	512,017,124
Accruals	613,727,934	–	613,727,934	613,727,934
Due to related parties	–	76,480,278,633	76,480,278,633	76,480,278,633
Total	**807,096,677**	**82,798,927,014**	**83,606,023,691**	**83,606,023,691**

	Below 1 Year	Over 1 Year	Total	Carrying value as of Dec 31, 2014
Short–term loan	–	6,000,000,000	6,000,000,000	6,000,000,000
Accounts payable	193,368,743	318,648,381	512,017,124	512,017,124
Accruals	613,727,934	–	613,727,934	613,727,934
Due to related parties	–	76,480,278,633	76,480,278,633	76,480,278,633
Total	**807,096,677**	**82,798,927,014**	**83,606,023,691**	**83,606,023,691**

18. REVISED AND NEW STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS AND INTERPRETATION

The following summarized the revised and new Statements of Financial Accounting Standards (PSAKs) and interpretation (ISAK) recently issued by the Indonesia Financial Accounting Standards Board (DASK) that are relevant to the Company, Which are not effective as of December 31, 2015 and 2014:

Effective starting on April 1, 2011

- PSAK No. 1 (Revised 2009) " Presentation of Financial Statements", prescribes the basis for presentation of general–purpose financial statements to ensure comparability both with an entity's financial statements of previous periods and with financial statements of other entities.
- PSAK No. 2 (Revised 2009) " Statements of Cash Flows ", requires the provision of information about the historical changes in cash and cash equivalents by means of a statements of cash flows which classifies cash flows during the period into operating, investing and financial activities.
- PSAK No. 7 (Revised 2010) " Related Party Disclosures " requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidate and separate financial statements of a parent, and also applies to individuals financial statements.
- PSAK No. 8 (Revised 2010) " Events after the Reporting Period ", prescribes when an entity should adjust its financial statements for events after the reporting period, and disclosures about the date when financial statements are authorized for issue and event after the reporting period. it requires an entity not to prepare financial statements on going concern basis if events after the reporting period indicate period indicate that the going concern assumption is not appropriate.
- PSAK No. 22 (Revised 2010) " Business Combinations ", applies to a transaction or other event that meets the definition of a business combination to improve the relevance, reliability and comparability of the information that reporting entity provides in its financial statements about a business combination and its effects.
- PSAK No. 23 (Revised 2010) " Revenue ", Identifies the circumstances in which the criteria on revenue recognition will be met and, therefore, revenue will be recognized. It prescribes the accounting treatment of revenue arising from certain types of transactions and events, as well as practical guidance on the application of criteria on revenue recognition.
- PSAK No. 25 (Revised 2009), " Accounting Policies, Changes in Accounting Estimates and Errors", prescribes the criteria for selecting and changing accounting policies, together with the accounting treatment and disclosure change in accounting estimates and correction of errors.
- PSAK No. 48 (Revised 2009) " Impairment of Asset", prescribes the procedures applied to ensure that asset are carried at no more than their recoverable amount if the assets are impaired, an impairment loss should be recognized.
- PSAK No. 57 (Revised 2009) " Provisions, Contingent Liabilities and Contingent Assets", aims to provide that appropriate recognition criteria and measurement bases are applied to provisions, contingent liabilities and contingent assets and to ensure that sufficient information is disclosed in the notes to enable users to understand the nature, timing and amount related to the information.
- PSAK No. 58 (Revised 2009) " Non–current Asset Held for Sale and Discontinued Operations ", specifies the accounting for assets held for sale, and the presentation and disclosure of discontinued operations.
- PSAK No. 9 " Changes in Existing Decommissioning, Restoration and Similar Liabilities", applies to changes in the measurement of any existing decommissioning, restoration or similar liability recognized as part of the an item of property, plant and equipment in accordance with PSAK No. 16 and as a liability in accordance with PSAK No. 57
- PSAK No. 10 (Revised 2010), " The Effects of Changes in Foreign Exchange Rate", prescribes how to include foreign currency transaction and foreign operations in the financial statements of an entity and translate statements into presentation currency.
- PSAK No. 18 (Revised 2010), " Accounting and Reporting by Retirement Benefit Plans" establishes the accounting and reporting by the plans to all participants as a group. This PSAK complements PSAK No. 24 (Revised 2010), " Employee Benefits ".
- PSAK No. 24 (Revised 2010), " Employee Benefits ", Establishes the accounting and disclosures for employee benefits
- PSAK No. 46 (Revised 2010), " Accounting for Income Taxes ", prescribes the accounting treatment for income taxes to account for the current and future tax consequences of the future recovery (settlement) of the carrying amount of assets (liabilities) that are recognized in the balance sheet, and transactions and other events of the current year that are recognized in the financial statements.
- PSAK No.50 (Revised 2010), " Financial Instrument: Presentation ", establishes the principles for presenting financial instruments as liabilities or equity and offsetting financial assets and financial liabilities.
- PSAK No.60," Financial Instrument; Disclosures ",requires disclosures in financial statements that enable users to evaluate the significance of financial instruments for financial position and performance, and the nature and extent of risks arising from financial instruments to which the entity is exposed during the year and at the end of the reporting year, and how entity manages those risks.

The Company is presently evaluating and has not yet determined the effects of these revised and new standard and interpretations on the financial statements.

19. GOING CONCERN

The Company is currently not active and does neither have any employees nor any office in Indonesia. As in the earlier years, there is a significant balance of deficit over paid in capital as of December 31, 2015, balance of which is contributed by recurring significant losses due to very hard competition on business front. It will therefore be difficult for GTL to maintain its going concern capability.

20. COMPLETION OF THE FINANCIAL STATEMENTS

The management of the Company is responsible for the preparation of the financial statements that have been completed on 15–Feb–16.

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO: THE PARTNERS OF

GTL Saudi Arabia Company Limited

Riyadh – Saudi Arabia

Scope of Audit:

We have audited the accompanying balance sheet of GTL Saudi Arabia Company Limited (the "Company") as at 31 March 2016 and the related statements of income, cash flows and changes in partners' equity for the year then ended and notes from (1) to (19) which form an integral part of these financial statements. These financial statements are the responsibility of the company's management and have been prepared by them in accordance with the provisions of Article 175 of the Regulations for Companies and submitted to us together with all the information and explanations, which we required.

Our responsibility is to express an opinion on these financial statements based on our audit. Except as discussed in the qualification paragraph, we conducted our audit in accordance with auditing standards generally accepted in the Kingdom of Saudi Arabia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates mad by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable degree of assurance to enable us to express an opinion on the financial statements.

Unqualified opinion:

In our opinion, the financial statements referred to above:

i) Present fairly, in all material respects, the financial position of the company as at 31 March 2016 and the results of its operations and its cash flows for the year then ended in accordance with accounting standards generally accepted in the Kingdom of Saudi Arabia.

ii) Comply with the requirements of the Regulations for Companies and the company's articles of association in so far as they affect the preparation and presentation of the financial statements.

UHY Abdul Jabber
Certified Accountants and Consultants

Jeddah – Saudi Arabia
Date : 11 Rajab 1437 H
Corresponding : 18 APRIL 2016 M

Waleed Abdul Jabber
License No. 299

BALANCE SHEET AS AT 31ST MARCH, 2016

	As at 31st March 2016 SAR	As at 31st March 2015 SAR	As at 31st March 2016 INR	As at 31st March 2015 INR
I. EQUITY AND LIABILITIES				
SHAREHOLDER'S FUNDS				
Share Capital	**2,000,000**	2,000,000	**35,282,667**	33,378,600
Reserves and Surplus	**(224,171)**	102,646	**(3,954,683)**	1,713,095
	1,775,829	2,102,646	**31,327,983**	35,091,695
NON–CURRENT LIABILITIES				
Long–term borrowings	**–**	–	**–**	–
Deferred tax liabilities (Net)	**–**	–	**–**	–
Other Long term liabilities	**–**	–	**–**	–
Long term provisions	**1,076,717**	1,200,571	**18,994,731**	20,036,686
	1,076,717	1,200,571	**18,994,731**	20,036,686
CURRENT LIABILITIES				
Short–term borrowings	**531,524**	9,206,266	**9,376,797**	153,646,141
Trade payables (including Acceptances)	**786,344**	1,440,057	**13,872,164**	24,033,548
Other current liabilities	**–**	4,986,549	**–**	–
Short–term provisions	**2,070,255**	–	**36,522,054**	83,222,008
	3,388,123	15,632,872	**59,771,015**	260,901,697
Total	**6,240,670**	18,936,089	**110,093,730**	316,030,078
II. ASSETS				
NON–CURRENT ASSETS				
Fixed assets				
Tangible assets	**374,864**	646,875	**6,613,109**	10,795,890
Intangible assets	**–**	–	**–**	–
Capital work–in–progress	**–**	–	**–**	–
	374,864	646,875	**6,613,109**	10,795,890
Non–current investments	**–**	–	**–**	–
Deferred tax assets (net)	**–**	–	**–**	–
Long term loans and advances	**–**	–	**–**	–
Other non–current assets	**–**	–	**–**	–
	–	–	**–**	–
CURRENT ASSETS				
Current investments	**–**	–	**–**	–
Inventories	**–**	–	**–**	–
Trade receivables	**1,687,967**	9,286,033	**29,777,986**	154,977,382
Cash and cash equivalents	**3,332,214**	962,534	**58,784,691**	16,064,012
Short–term loans and advances	**812,530**	1,177,934	**14,334,105**	19,658,897
Other current assets	**33,095**	6,862,714	**583,839**	114,533,896
	5,865,805	18,289,215	**103,480,621**	305,234,188
Total	**6,240,669**	18,936,089	**110,093,730**	316,030,077

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD

	1–Apr–15 to 31–Mar–16	1–Apr–14 to 31–Mar–15	**1–Apr–15 to 31–Mar–16**	1–Apr–14 to 31–Mar–15
	SAR	SAR	**INR**	INR
Revenue from operations	**14,184,540**	24,507,126	**251,385,450**	403,335,837
Other Income	**8,942,045**	6,381,249	**158,475,354**	105,021,958
Total Revenue	**23,126,585**	30,888,375	**409,860,805**	508,357,795
Expenses:				
Cost of Purchases	**4,284,675**	7,456,550	**75,935,129**	122,719,159
Changes in inventories of finished goods, work–in–progress and Stock–in–Trade	**–**	709,156	**–**	11,671,219
Employee benefits expenses	**12,169,652**	14,850,806	**215,676,597**	244,413,073
Finance Costs	**0**	236,197	**3**	3,887,311
Depreciation and amortization expense	**276,872**	313,013	**4,906,871**	5,151,530
Other expenses	**6,722,203**	7,224,880	**119,134,217**	118,906,344
Total Expenses	**23,453,402**	30,790,601	**415,652,818**	506,748,637
Profit before exceptional and extraordinary items and tax	**(326,817)**	97,774	**(5,792,014)**	1,609,158
Exceptional Items	**–**	–	**–**	–
Profit before extraordinary items and tax	**(326,817)**	97,774	**(5,792,014)**	1,609,158
Extraordinary Items	**–**	–	**–**	–
Profit before tax	**(326,817)**	97,774	**(5,792,014)**	1,609,158
Tax expense:				
Current tax	**–**	24,346	**–**	400,684
Deferred tax Liability / (Asset)	**–**	–	**–**	
Profit / (Loss) from the period after Tax	**(326,817)**	73,428	**(5,792,014)**	1,208,474

STATEMENT OF CASH FLOW STATEMENT AS AT 31 MARCH 2016

	31 March 2016 SAR	31 March 2015 SAR
OPERATING ACTIVITIES:		
Net (loss) for the year	**(8,901,572)**	(5,902,225)
Adjustments for:		
Depreciation	**276,872**	313,011
Provision for the end of service Indemnity	**889,892**	258,715
Gain on disposal of furniture and equipment	**(43,435)**	(1,500)
	(7,778,243)	(5,331,999)
Changes in Operating assets and Liabilities:		
Trade receivables	**7,364,690**	4,861,195
Prepayments and other receivables	**7,595,025**	(557,258)
Due from related parties	**233,375**	344,528
Inventories	**–**	709,156
Accounts payable	**(653,713)**	(217,021)
Accrued expenses and other payables	**(3,879,608)**	2,150,681
Due to related parties	**887,673**	(2,209,375)
End of service indemnity paid	**(1,013,746)**	(540,953)
Cash used in operation	**2,755,453**	(791,046)
Zakat and income tax paid	**(24,346)**	(10,690)
Net cash used in from operation activities	**2,731,107**	(801,736)
INVESTING ACTIVITIES:		
Purchase of furniture equipment	**(13,698)**	(236,606)
Proceed from disposal of furniture and equipment	**52,271**	1,500
Net cash from Investing activities	**38,573**	(235,106)
INCREASE / (DECREASE) IN BANK BALANCE AND CASH	**2,769,680**	(1,036,842)
Bank balance and cash at the beginning of the year	**311,662**	1,348,504
BANK BALANCES AND CASH AT THE END OF THE YEAR	**3,081,342**	311,662
NON CASH TRANSACTIONS		
Loss absorbed	**8,574,756**	6,000,000

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING MARCH 31, 2016

	As at 31st March 2016 SAR	As at 31st March 2015 SAR	**As at 31st March 2016 INR**	As at 31st March 2015 INR
Share Capital				
Issued, subscribed and paid up:				
2000 Common Shares fully paid–up of SAR1000 each	**2,000,000**	2,000,000	**35,282,667**	33,378,600
Total	**2,000,000**	2,000,000	**35,282,667**	33,378,600
Reserves and Surplus				
General Reserve				
Opening balance	**614,061**	614,061	**10,832,855**	10,248,248
Add: Transferred from Profit & Loss Account	**–**	–	**–**	–
Closing Balance	**614,061**	614,061	**10,832,855**	10,248,248
Translation Reserve	**–**	–	**92,352**	552,723
Profit & Loss Account :				
Surplus – Opening Balance	**(511,415)**	(584,843)	**(9,087,876)**	(10,296,350)
Add : Net profit after tax	**(326,817)**	73,428	**(5,792,014)**	1,208,474
Amount available for appropriation	**(838,232)**	(511,415)	**(14,879,890)**	(9,087,876)
Appropriation :				
Transferred to General Reserve	**–**	–	**–**	–
Surplus – Closing Balance	**(838,232)**	(511,415)	**(14,879,890)**	(9,087,876)
Total	**(224,171)**	102,646	**(3,954,683)**	1,713,095
Long Term Provisions				
Provision for employee benefits	**1,076,717**	1,200,571	**18,994,731**	20,036,686
Total	**1,076,717**	1,200,571	**18,994,731**	20,036,686
Short Term Borrowings				
Due to related parties	**531,524**	9,206,266	**9,376,797**	153,646,141
Total	**531,524**	9,206,266	**9,376,797**	153,646,141
Trade Payables				
Trade Payables	**786,344**	1,440,057	**13,872,164**	24,033,548
Total	**786,344**	1,440,057	**13,872,164**	24,033,548

	As at 31st March 2016 SAR	As at 31st March 2015 SAR	As at 31st March 2016 INR	As at 31st March 2015 INR
Other Current Liabilities				
Provision for Expenses	**883,144**	2,879,479	**15,579,830**	48,056,490
Accrued salaries & benefits	**955,921**	1,856,653	**16,863,722**	30,986,236
Statutory Dues Payable	**12,607**	24,590	**222,404**	410,383
Other Liabilities	**218,583**	225,827	**3,856,097**	3,768,899
Total	**2,070,255**	4,986,549	**36,522,054**	83,222,008
Trade Receivables				
Debts outstanding for a period exceeding six months				
Unsecured				
Considered good	**–**	–	**–**	–
Considered doubtful	**2,197,772**	4,403,341	**38,771,621**	73,488,682
	2,197,772	4,403,341	**38,771,621**	73,488,682
Less: Provision for doubtful debts	**1,755,074**	1,619,777	**30,961,840**	27,032,939
	442,698	2,783,565	**7,809,781**	46,455,743
Unsecured				
Considered good	**1,245,269**	6,502,468	**21,968,206**	108,521,639
Considered doubtful	**–**	–	**–**	–
	1,245,269	6,502,468	**21,968,206**	108,521,639
Total	**1,687,967**	9,286,033	**29,777,986**	154,977,382
Cash and cash equivalents				
Balances with Banks				
Balance in current account with a Non–Scheduled Bank	**3,056,134**	212,980	**53,914,275**	3,554,488
Cash on Hand	**25,208**	98,682	**444,701**	1,646,928
Balances with Bank held as margin money	**250,872**	650,872	**4,425,714**	10,862,596
Total	**3,332,214**	962,534	**58,784,691**	16,064,012
Short Term Loans and Advances				
Deposits	**36,215**	19,640	**638,881**	327,778
Prepaid Expenses	**290,342**	462,354	**5,122,013**	7,716,362
Advance to Suppliers	**26,504**	63,026	**467,566**	1,051,860
Loans & Advances to employees	**459,469**	632,914	**8,105,645**	10,562,897
Total	**812,530**	1,177,934	**14,334,105**	19,658,897
Other Current Assets				
Unbilled Revenue	**33,095**	6,862,714	**583,839**	114,533,896
Total	**33,095**	6,862,714	**583,839**	114,533,896
Revenue from Operations				
Sale of Services				
Telecom Services	**14,184,540**	24,507,126	**251,385,450**	403,335,837
Other Operating Revenues	**–**	–	**–**	–
Total	**14,184,540**	24,507,126	**251,385,450**	403,335,837

	As at 31st March 2016 SAR	As at 31st March 2015 SAR	As at 31st March 2016 INR	As at 31st March 2015 INR
Other Income				
Profit on sale of fixed assets	**43,435**	1,500	**769,777**	24,687
Other Non–Operating Income	**8,898,610**	6,379,749	**157,705,578**	104,997,271
Total	**8,942,045**	6,381,249	**158,475,354**	105,021,958
Purchase of Material (Non – trade) & Services				
Sub Contractor Charges	**2,403,848**	5,572,393	**42,602,184**	91,709,883
Vehicle Hire Charges – Projects	**1,880,827**	1,884,158	**33,332,945**	31,009,276
Total of Purchase of Material (Non – trade) & Services	**4,284,675**	7,456,550	**75,935,129**	122,719,159
Total of Purchases	**4,284,675**	7,456,550	**75,935,129**	122,719,159
Changes in inventories of finished goods, work–in–progress and Stock–in– trade				
Decrease / (Increase) in Inventory				
Finished Goods	**–**	709,156	**–**	11,671,219
Total	**–**	709,156	**–**	11,671,219
Employee Benefit Expense				
Salaries	**11,266,783**	14,447,976	**199,675,513**	237,783,336
Contribution to Provident and Other Funds	**877,750**	366,394	**15,555,913**	6,030,082
Staff Welfare Expenses	**25,119**	36,436	**445,171**	599,655
Total	**12,169,652**	14,850,806	**215,676,597**	244,413,073
Finance Costs				
Interest Expense				
Interest on Borrowings	**0**	236,197	**3**	3,887,311
Total	**0**	236,197	**3**	3,887,311
Other Expenses				
Communication Expenses	**134,694**	151,258	**2,387,120**	2,489,391
Rates & Taxes [include Wealth tax]	**43,497**	26,459	**770,867**	435,460
Rent	**592,499**	960,954	**10,500,564**	15,815,279
Electricity Charges	**22,301**	24,651	**395,222**	405,706
Insurance	**54,280**	58,378	**961,971**	960,779
Travelling & Conveyance Expenses	**1,372,962**	1,469,717	**24,332,311**	24,188,457
Outsourced Manpower Cost	**171,585**	570,276	**3,040,914**	9,385,548
Auditor's Remuneration	**46,764**	114,000	**828,775**	1,876,201
Repairs & Maintenance – Others	**107,922**	178,668	**1,912,654**	2,940,500
Provision for Doubtful Debts & Advances	**1,755,075**	1,619,778	**31,104,309**	26,658,144
Net (Gain)/Loss on Foreign Currency Transactions	**39,940**	37,950	**707,844**	624,581
Other Expenses	**1,736,277**	1,772,776	**30,771,166**	29,176,172
Provision for doubtful accruals	**644,407**	240,014	**11,420,500**	3,950,126
Total	**6,722,203**	7,224,880	**119,134,217**	118,906,344
Tax Expense				
Current Tax	**–**	24,346	**–**	400,684
Deferred taxes	**–**	–	**–**	–
Total	**–**	24,346	**–**	400,684

NOTES TO THE FINANCIAL STATEMENTS

1. ACTIVITES:

GTL Saudi Arabia Company Limited is a Limited Liability company registered in the Kingdom of Saudi Arabia under Commercial Registration numbered 1010182970 dated 19 shawal 1423H corresponding to 23 December 2002. The Company is engaged in the execution of contracts for construction, installation and maintenance of telecommunication network and computer system network as well as all the technical service pertaining thereto. It is owned 10% by Saudi and 90% by non–Saudi partners.

2. BASIS OF PREPARATION:

These financial statements have been prepared in accordance with the accounting standards generally accepted in the Kingdom of Saudi Arabia.

Accounting convention

The financial statements are prepared under the historical cost convention.

Use of estimates

The preparation of these financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial statements and the reported amounts of revenues and expenses during the reported year.

3. SIGNFICANT ACCOUNTING POLICIES:

The accounting policies used in the preparation of these financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 March 2016 and should be read in conjunction with those annual financial statements. The results may not be an accurate indicator of the annual results of the operations.

Furniture and equipment

Furniture and equipment is stated at cost less accumulated depreciation and any impairment in value. The cost less estimated residual value of furniture and equipment is depreciated on a straight time basis over the estimated useful lives of the assets.

The carrying values of furniture and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditure for repair and maintenance are charged to statement of income. Betterments that increase the value or materially extend the life of the related assets are capitalized.

Inventories

Inventories are stated at the lower of cost and market value. Cost is determined as follows:

Raw materials	–	Purchase cost on a weighted average basis.
Work in progress	–	Cost of direct materials.

3. SIGNIFICANT ACCOUNTING POLICIES (continued) :

Unbilled revenue

Unbilled revenue represents the value of work executed but not billed under the terms of the contract. It is stated at cost plus attributable profits or less attributable loss.

Accounts receivable

Accounts receivable are stated at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the amount is no longer probable. Bad debts are written off as incurred.

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions

Provisions are recognized when the company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured

Statutory reserve

As required by Saudi Arabian Regulations for Companies, 10% of income for the year has to be transferred to the statutory reserve. The Company may resolve to discontinue such transfers when the reserve totals 50% of the capital. In view of losses during the year, no such transfer has been made. the reserve is not available for distribution.

Employee's terminal benefits

Provision is made for amounts payable under the Saudi Arabian Labor law applicable to employee's accumulated years of service at the balance sheet date.

Revenue

Revenue comprises the invoiced and accrued value of work executed by the company during the year. net of trade and quantity discounts and is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably normally on delivery to the customer.

Other income is recorded when earned.

Foreign currencies

Transactions in foreign currencies are recorded in Saudi Riyals at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of income.

Expenses

Selling and distribution expenses are those that specifically relate to sales staff. All other expenses are classified as general administration expenses.

4. TRADE RECIVABLES:

	31 March 2016 SR	31 March 2015 SR
Trade receivables	**3,436,809**	10,666,202
Provision for doubtful debts	**(1,755,074)**	(1,619,777)
	1,681,735	9,046,425

5. PREPAYMENTS AND OTHER RECEIVABLES:

	31 March 2016 SR	31 March 2015 SR
Unbilled revenue	**33,095**	6,862,714
Margin deposits	**250,872**	650,872
Prepaid expenses	**326,556**	481,994
Other receivable	**465,700**	639,146
Advances to suppliers	**26,504**	63,026
	1,102,727	8,697,752

6. DUE FROM RELATED PARTIES:

	Type Of Relation	Begin Balance	Debit	Credit	Ending balance
GTL INFRASTRUCTURE LTD (GIL)	Affiliates	143,375	–	(143,375)	–
IGTL Network Services Philippines INC	Affiliates	90,000	–	(90,000)	–
		233,375	–	(233,375)	–

7. FURNITURE AND EQUIPMENT:

The estimated useful lives for the calculation of depreciation are as follow:

Furniture and fixture 5 to 10 years

Equipment 2 to 7 years

	Furniture and fixture SR	Equipment SR	Total 2016 SR	Total 2015 SR
Cost				
At the beginning of the year	495,370	3,831,279	**4,326,649**	4,104,213
Additions	1,600	12,098	**13,698**	236,606
Disposals	–	(448,096)	**(448,096)**	(14,170)
At the end of the year	496,970	3,395,281	**3,892,251**	4,326,649
Depreciation				
At the beginning of the year	(369,619)	(3,310,154)	**(3,679,773)**	(3,380,932)
Charge for the year	(33,795)	(243,077)	**(276,872)**	(313,011)
Disposals	–	439,260	**439,260**	14,170
At the end of the year	(403,414)	(3,113,971)	**(3,517,385)**	(3,679,773)
Net book amount:				
At 31 March 2016	93,556	281,310	**374,866**	
At 31 March 2015	521,125	125,751		646,876

8. ACCRUED EXPENSES AND OTHER PAYABLES:

	31 March 2016	31 March 2015
	SR	SR
Accrued expenses	**1,049,162**	4,033,157
Other payables	**1,187,111**	2,082,724
	2,236,273	6,115,881

9. DUE TO RELATED PARTIES:

	Type Of Relation	Begin Balance	Debit	Credit	Ending balance
GTL Limited	Affiliates	1,248,139	(1,248,139)	–	–
GTL Overseas Middle East(DMCC)	Affiliates	2,306,918	(2,306,918)	–	–
GTL INTERNATIONAL LTD	Partners	4,405,019	(4,405,019)	–	–
AL MOZOON GROUP	Partners	92,512	(1,400,000)	1,672,993	365,505
		8,052,588	(9,360,076)	1,672,993	365,505

10. EMPLOYEE'S TERMINAL BENEFITS:

	31 March 2016	31 March 2015
	SR	SR
Balance at beginning of the year	**1,200,571**	1,482,809
Provided during the year	**889,892**	258,715
Payment during the year	**(1,013,746)**	(540,953)
	1,076,717	1,200,571

11. CAPITAL:

Capital is divided into 2,000 shares of SR 1,000 each.

Shareholders	**No. of Shares**	**Share Price**	**Share Value**	**%age hold**
AL MOZOON GROUP	200	1,000	200,000	10%
GTL INTERNATIONAL LTD	1,800	1,000	1,800,000	90%
	2,000		**2,000,000**	**100%**

12. COST OF REVENUE :

	31 March 2016	31 March 2015
	SR	SR
Project execution expenses	**2,403,848**	5,572,393
Employee costs	**10,117,928**	13,480,158
Vehicle charges	**2,206,731**	2,207,928
Travelling and conveyance	**1,717,504**	1,472,629
Communication expenses	**79,494**	94,904
Others	**1,292,458**	1,604,983
	17,817,963	24,432,995

13. SELLING AND DISTRIBUTION EXPENSES :

	31 March 2016 SR	31 March 2015 SR
Consultancy	**137,500**	515,600
Employee costs	**747,875**	325,351
Travel	**95,513**	87,238
Communication expenses	**373**	–
Other	**4,619**	16,908
	985,880	945,097

14. GENERAL AND ADMINISTRATION EXPENSES:

	31 March 2016 SR	31 March 2015 SR
Employee costs	**1,259,860**	1,461,044
Rent	**207,982**	286,797
Legal and professional	**124,070**	191,960
Travel and entertainment	**57,747**	61,228
Postage, telephone and telegram	**54,828**	56,354
Insurance	**15,190**	58,378
Printing and stationery	**13,168**	25,508
Repairs and maintenance	**28,655**	26,514
Vehicle expenses	**40,567**	44,517
Provision for debtors	**1,755,075**	1,619,778
Inventory write–off	**–**	709,156
Unbilled revenue written off	**644,407**	–
Provision for deposits	**–**	98,002
Electricity, power and fuel	**4,644**	6,964
Other	**126,553**	179,149
	4,332,746	4,825,349

15. FAIR VALUES OF FINANCIAL INSTRUMENTS:

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction, financial instruments comprise of financial assets and financial liabilities.

The Company's financial assets consist of bank balances, cash, accounts receivable and prepayments, amounts due from related parties, its financial liabilities consist of accounts payable, accruals, and amounts due to related parties.

The fair values of financial instruments are not materially different from their carrying values.

16. RISK MANAGEMENT :

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market interest rates. The Company is subject to interest rate risk on its interest bearing assets and liabilities, including bank deposits and amounts due to partners.

Credit risk

Credit risk is the risk that one party will fail to discharge an obligation and will cause the other party to incur a financial loss. The Company seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables. At the balance sheet date, no significant concentrations of credit risk were identified by management.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Company limits its liquidity risk by ensuring the bank facilities are available. The Company's terms of sales require amounts to be paid within 45 days of the date of purchase.

The table below summaries the maturities of the Company's undiscounted financial liabilities at 31 March. based on contractual payment dates and current market interest rates.

Year ended 31 March 2016	3 to 12 month SR
Accounts payable and accruals	3,388,122
Year ended 31March 2015	3 to 12 month SR
Accounts payable and accruals	15,608,526

Currency Risk

The Company is subject to fluctuations in foreign exchange rates in the normal course of its business. The Company did not undertake transactions in currencies other than Saudi Riyals and US Dollars. During the year, As the Saudi Riyal is pegged to the US Dollar, and balance in US Dollars are not considered to represent significant currency risk.

17. CONTINGENT LIABILITIES:

The Company's bankers have issued, on its behalf in the normal course of business, guarantees amounting to SR 250,872 (2015: SR 650,872), in respect of contract performance.

18. KEY SOURCE OF ESTIMATION UNERTAINTY:

Impairment of accounts receivable

As estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individually basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At the balance sheet date, gross trade accounts receivable were SR 3,436,809 (2015: SR 10,666,202), and the allowance for doubtful debts was SR 1,755,074 (2015: SR 1,619,777). Any difference between the amounts actually collected in future years and the amounts expected will be recognized in the statement of income.

Impairment of inventories:

Inventories are held at the lower of cost and market value. When inventories become old or obsolete, an estimate is made of their market value. For individually significant amounts, this estimation is performed on an individual basis. Amount whish are not individually significant, but which are old obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing of obsolescence, based on historical selling prices.

19. COMPARATIVE FIGURES:

Certain of the prior year amounts have been reclassified to conform to the presentation in the current year.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
IGTL NETWORK SERVICES PHILIPPINES INC.
(Formerly ADA CELLWORKS, INC.)
(A Subsidiary of GTL Network Services Malaysia Sdn Bhd)
Room 802, V. Madrigal Bldg.
6793 Ayala Avenue, Makati City

Report on the financial statements

We have audited the accompanying financial statements of IGTL NETWORK SERVICES PHILIPPINES INC. (Formerly ADA CELLWORKS, INC.) (A Subsidiary of GTL Network Services Malaysia Sdn Bhd), which comprise the statements of financial position as at December 31, 2015 and 2014, and the statements of comprehensive income, changes in equity (capital deficiency) and statements of cash flows for the years then ended, and summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Philippine Financial Reporting Standards, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free form material misstatement, whether due to fraud or error

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 the 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 accompanying financial statements present fairly, in all material respects, the financial position of IGTL NETWORK SERVICES PHILIPPINES INC. (Formerly ADA CELLWORKS, INC.) (A subsidiary of GTL Network Services Malaysia Sdn Bhd) as at December 31, 2015 and 2014, and its financial performance and its cash flows for the years ended in accordance with PFRS.

Report on the Supplementary Information Required under Revenue Regulation 15–2010

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes and licenses and additional disclosures requirements on schedules in Notes 25 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

SUPPLEMENTAL WRITTEN STATEMENT OF EXTERNAL AUDITOR

We have examined the financial statements of IGTL NETWORK SERVICES PHILIPPINES INC. (Formerly ADA CELLWORKS, INC.) (A Subsidiary of GTL Network Services Malaysia Sdn Bhd), as at and for the year ended December 31, 2015, on which we have rendered the attached report dated January 29, 2016.

In compliance with Section 8–A, Revenue Regulation No. V–1, we are stating that:

1. The required information regarding taxes paid and accrued during the year is presented in Note 25 of the financial statements.
2. No partner of our firm is related by consanguinity or affinity to the president, manager or principal shareholders of the company.

In compliance with SRC Rule 68, we are stating that the said company has two (2) shareholders owning one hundred (100) and /or more shares.

Villaruz, Villaruz & Co., CPAs
000–889–941

George V. Villaruz
Quezon City, Philippines
January 29, 2016

BALANCE SHEET AS AT 31ST DECEMBER, 2014

		As at 31st December 2015 PHP	As at 31st December 2014 PHP	As at 31st December 2015 INR	As at 31st December 2014 INR
I.	**EQUITY AND LIABILITIES**				
	SHAREHOLDER'S FUNDS				
	Share Capital	**504,300**	504,300	**709,762**	715,234
	Reserves and Surplus	**(2,913,305)**	(768,991)	**(4,100,244)**	(1,090,637)
		(2,409,005)	(264,691)	**(3,390,482)**	(375,403)
	NON–CURRENT LIABILITIES				
	Long–term borrowings	**11,716,213**	11,903,215	**16,489,633**	16,881,973
	Deferred tax liabilities (Net)	**–**	–	**–**	–
	Other Long term liabilities	**–**	–	**–**	–
	Long term provisions	**–**	–	**–**	–
		11,716,213	11,903,215	**16,489,633**	16,881,973
	CURRENT LIABILITIES				
	Short–term borrowings	**–**	–	**–**	–
	Trade payables (including Acceptances)	**–**	–	**–**	–
	Other current liabilities	**–**	–	**–**	–
	Short–term provisions	**5,677,526**	9,619,535	**7,990,664**	13,643,098
		5,677,526	9,619,535	**7,990,664**	13,643,098
	Total	**14,984,734**	21,258,059	**21,089,814**	30,149,667
II.	**ASSETS**				
	NON–CURRENT ASSETS				
	Fixed assets				
	Tangible assets			**–**	–
	Intangible assets	**1,086,842**	2,089,869	**1,529,643**	2,963,999
	Capital work–in–progress	**–**	–	**–**	–
		1,086,842	2,089,869	**1,529,643**	2,963,999
	Intangible assets under development				
	Non–current investments				
	Deferred tax assets (net)	**2,523,625**	1,544,142	**3,551,800**	2,190,010
	Long term loans and advances	**579,093**	579,093	**815,027**	821,310
	Other non–current assets				
		3,102,718	2,123,235	**4,366,827**	3,011,321
	CURRENT ASSETS				
	Current investments	**–**	–	**–**	–
	Inventories	**–**	–	**–**	–
	Trade receivables	**2,515,026**	9,722,759	**3,539,698**	13,789,497
	Cash and cash equivalents	**2,520,147**	273,916	**3,546,905**	388,487
	Short–term loans and advances	**5,760,001**	7,048,280	**8,106,741**	9,996,364
	Other current assets	**–**	–	**–**	–
		10,795,174	17,044,955	**15,193,344**	24,174,348
	Total	**14,984,734**	21,258,059	**21,089,814**	30,149,667

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD

	1–Jan–15 to 31–Dec–15 PHP	1–Jan–14 to 31–Dec–14 PHP	**1–Jan–15 to 31–Dec–15 INR**	1–Jan–14 to 31–Dec–14 INR
Revenue from operations	**33,551,383**	47,616,798	**47,403,071**	66,739,228
Less: Excise Duty, if any				
	33,551,383	47,616,798	**47,403,071**	66,739,228
Other Income	**1,480,346**	7,818	**2,091,507**	10,958
Total Revenue	**35,031,729**	47,624,616	**49,494,578**	66,750,186
Expenses:				
Cost of Purchases	**7,967,535**	8,038,201	**11,256,932**	11,266,262
Changes in inventories of finished goods, work–in–progress and Stock–in–Trade	**–**	–	**–**	–
Employee benefits expenses	**26,715,969**	39,557,924	**37,745,657**	55,443,991
Finance Costs	**14,136**	20,351	**19,972**	28,524
Depreciation and amortization expense	**1,003,027**	948,762	**1,417,127**	1,329,775
Other expenses	**2,395,472**	5,520,690	**3,384,443**	7,737,744
Total Expenses	**38,096,139**	54,085,928	**53,824,130**	75,806,296
Profit before exceptional and extraordinary items and tax	**(3,064,410)**	(6,461,312)	**(4,329,552)**	(9,056,110)
Exceptional Items	**–**	–	**–**	–
Profit before extraordinary items and tax	**(3,064,410)**	(6,461,312)	**(4,329,552)**	(9,056,110)
Extraordinary Items	**–**	–	**–**	–
Profit before tax	**(3,064,410)**	(6,461,312)	**(4,329,552)**	(9,056,110)
Tax expense:				
Current tax	**(920,096)**	(1,205,328)	**(1,299,958)**	(1,689,376)
Deferred tax Liability / (Asset)	**–**	–	**–**	–
Profit / (Loss) from the period after Tax	**(2,144,314)**	(5,255,984)	**(3,029,594)**	(7,366,735)

STATEMENT OF CHANGES IN EQUITY (CAPITAL DEFICIENCY)

Particulars		Note	Share capital	Appropriated Retained Earnings	Unappropriated Retained Earnings	Total Capital Deficiency
Share Capital						
Authorized, 50,380 Shares at P 100 par value per share	P 5,038,000	22				
Subscribed, 12,595 Shares at P 100 par value per share	P 1,259,500	22				
Paid–in capital stock, 5,043 Shares at P 100 par value per share	P 504,300	22				
Balance, December 31, 2013			504,300	3,982,693	504,300	4,991,293
Loss for the year			–	–	(5,255,984)	(5,255,984)
Other comprehensive income			–	–	–	–
Reversal of prior year's appropriation for future expansion			–	(3,982,693)	3,982,693	–
Balance, December 31, 2014			504,300	–	(768,991)	(264,691)
Loss for the year			–	–	(2,144,314)	(2,144,314)
Other comprehensive income			–	–	–	–
Balance, December 31, 2015			**504,300**	**–**	**(2,913,305)**	**(2,409,005)**

CASH FLOW STATEMENT

	As at December 31, 2015 PHP	As at December 31, 2014 PHP
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before provision of income tax	**(3,064,410)**	(6,623,920)
Adjustments for:		
Unrealized loss / (gain) on foreign exchange, net	**(1,477,677)**	3,301
Depreciation and amortization	**1,003,027**	948,762
Bad debts	**–**	1,833,641
Interest income	**(2,669)**	(7,818)
Operating profit before working capital changes	**(3,541,729)**	(3,846,034)
Decrease (increase) in:		
Trade and other receivables	**7,108,075**	(2,889,277)
Prepayments and other current assets	**1,387,938**	(2,923,617)
Increase (decrease) in:		
Accruals and other payables	**(4,001,396)**	2,207,569
cash provided by (used in) operations	**952,888**	(7,451,358)
Interest received	**2,669**	7,818
Net cash provided by (used in) operating activities	**955,557**	(7,443,540)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	**–**	(780,162)
Decrease (increase) in refundable deposits	**–**	58,624
Decrease (increase) in advances to affiliates	**–**	546,337
Net cash used in investing activities	**–**	(175,201)
CASH FLOWS FROM FINANCING ACTIVITY		
Increase (decrease) in advances from affiliates	**1,297,200**	(2,030,354)
EFFECT OF EXCHANGE RATE CHANGES IN CASH	**(6,526)**	(14)
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS	**2,246,231**	(9,649,109)
CASH ON HAND AND IN BANKS, Beginning	**273,916**	9,923,025
CASH ON HAND AND IN BANKS, Ending	**2,520,147**	273,916

NOTES ON THE ACCOUNTS FOR THE PERIOD ENDING DECEMBER 31, 2015

	As at 31st December 2015 PHP	As at 31st December 2014 PHP	**As at 31st December 2015 INR**	As at 31st December 2014 INR
Share Capital				
Issued, subscribed and paid up:				
Paid–in capital stock – 5,043 shares at P100 par value per share	**504,300**	504,300	**709,762**	715,234
Total	**504,300**	504,300	**709,762**	715,234
Reserves and Surplus				
Translation Reserve	**–**	–	**(67,683)**	(87,670)
Profit & Loss Account :				
Surplus – Opening Balance	**(768,991)**	4,486,993	**(1,002,967)**	6,363,768
Add : Net profit after tax transferred from Statement of Profit and L	**(2,144,314)**	(5,255,984)	**(3,029,594)**	(7,366,735)
Dividend Distribution Tax on Excess Provision of Dividend of Last Yea				
Amount available for appropriation	**(2,913,305)**	(768,991)	**(4,032,561)**	(1,002,967)
Appropriation :				
Transfer to Debenture Redemption Reserve	**–**	–	**–**	–
Surplus – Closing Balance	**(2,913,305)**	(768,991)	**(4,032,561)**	(1,002,967)
Total	**(2,913,305)**	(768,991)	**(4,100,244)**	(1,090,637)
LONG TERM BORROWINGS				
Unsecured Borrowings				
Loans & Advances from Related Parties	**11,716,213**	11,903,215	**16,489,633**	16,881,973
Total	**11,716,213**	11,903,215	**16,489,633**	16,881,973
Total of Long Term Borrowings	**11,716,213**	11,903,215	**16,489,633**	16,881,973
Other Current Liabilities				
Expense Creditors	**2,061,084**	2,497,320	**2,900,811**	3,541,874
Accrued salaries & benefits	**651,536**	1,927,162	**916,985**	2,733,236
Statutory Dues Payable	**2,691,520**	3,563,147	**3,788,099**	5,053,504
Other Liabilities	**273,386**	1,631,906	**384,769**	2,314,483
Total	**5,677,526**	9,619,535	**7,990,664**	13,643,098
Long term loans and advances				
Security Deposits	**53,120**	53,120	**74,762**	75,339
Loans & Advances to Related Parties	**525,973**	525,973	**740,265**	745,972
Other Loans & Advances	**–**	–	**–**	–
Total	**579,093**	579,093	**815,027**	821,310

	As at 31st December 2015 PHP	As at 31st December 2014 PHP	As at 31st December 2015 INR	As at 31st December 2014 INR
Trade Receivables				
Considered good	**2,515,026**	9,722,759	**3,539,698**	13,789,497
Considered doubtful	**–**	–	**–**	–
	2,515,026	9,722,759	**3,539,698**	13,789,497
Total	**2,515,026**	9,722,759	**3,539,698**	13,789,497
Cash and cash equivalents				
Balances with Banks				
Balance in current account with a Non–Scheduled Bank	**2,519,620**	272,272	**3,546,164**	386,155
Cash on Hand	**527**	1,644	**742**	2,332
Balances with Bank held as margin money	**–**	–	**–**	–
Total	**2,520,147**	273,916	**3,546,905**	388,487
Short Term Loans and Advances				
Advance recoverable in cash or in kind or for value to be received	**471,479**	371,820	**663,569**	527,341
Advance Income Tax & Tax Deducted at source	**5,154,840**	4,361,091	**7,255,025**	6,185,205
Prepaid Expenses	**–**	157,761	**–**	223,748
Input Tax Recoverable	**93,682**	377,951	**131,850**	536,037
Advance to Suppliers	**40,000**	1,779,657	**56,297**	2,524,034
Total	**5,760,001**	7,048,280	**8,106,741**	9,996,364
Revenue from Operations				
Sale of Services				
Telecom Services	**33,521,955**	46,088,267	**47,361,494**	64,596,854
Other Operating Revenues	**29,428**	1,528,531	**41,577**	2,142,374
Total	**33,551,383**	47,616,798	**47,403,071**	66,739,228
Other Income				
Interest Income	**2,669**	7,818	**3,771**	10,958
Other Non–Operating Income/ Unrealized gain on Foreign Exchange	**1,477,677**	–	**2,087,736**	–
Total	**1,480,346**	7,818	**2,091,507**	10,958

	As at 31st December 2015 PHP	As at 31st December 2014 PHP	As at 31st December 2015 INR	As at 31st December 2014 INR
Purchase of Material (Non – trade) & Services				
Vehicle Hire Charges – Projects	**7,881,821**	7,062,498	**11,135,831**	9,898,727
Lease Rental on Network Equipment	**85,714**	975,703	**121,101**	1,367,536
Total of Purchase of Material (Non – trade) & Services	**7,967,535**	8,038,201	**11,256,932**	11,266,262
Total of Purchases	**7,967,535**	8,038,201	**11,256,932**	11,266,262
Employee Benefit Expense				
Salaries	**20,850,663**	31,631,873	**29,458,859**	44,334,917
Contribution to Provident and Other Funds	**363,385**	541,268	**513,408**	758,636
Staff Welfare Expenses	**5,501,921**	7,384,783	**7,773,389**	10,350,438
Total	**26,715,969**	39,557,924	**37,745,657**	55,443,991
Finance Costs				
Interest Expense				
Other Borrowing costs/ Bank Charges	**14,136**	8,875	**19,972**	12,439
Interest – Exchange (Gain) / Loss on Foreign Currency Borrowings	**–**	11,476	**–**	16,085
Total	**14,136**	20,351	**19,972**	28,524
Other Expenses				
Consumption of Stores & Spares	**19,225**	23,345	**27,162**	32,720
Freight Charges	**7,657**	36,301	**10,818**	50,879
Rates & Taxes [include Wealth tax]	**387,014**	627,753	**546,793**	879,852
Rent	**316,071**	313,307	**446,561**	439,128
Electricity Charges	**513,054**	183,321	**724,868**	256,941
Insurance	**5,495**	26,826	**7,764**	37,599
Legal and Professional Fees	**830,536**	2,048,531	**1,173,423**	2,871,201
Travelling & Conveyance Expenses	**149,854**	78,743	**211,721**	110,365
Repairs & Maintenance – Plant & Machinery	**66,191**	117,759	**93,518**	165,050
Provision for Doubtful Debts & Advances	**–**	1,833,641	**–**	2,570,013
Other Expenses	**100,375**	231,163	**141,815**	323,996
Extraordinary Expenditure (to be identified seperately)	**–**	–	**–**	–
Total	**2,395,472**	5,520,690	**3,384,443**	7,737,744
Tax Expense				
Current Tax	**(920,096)**	(1,205,328)	**(1,299,958)**	(1,689,376)
Total	**(920,096)**	(1,205,328)	**(1,299,958)**	(1,689,376)

1. GENERAL INFORMATION

IGTL Network Services Philippines Inc. (Formerly ADA Cellworks, Inc.), the Company, was incorporated and registered with the Securities and Exchange Commission (SEC) on June 21, 2002 with SEC Reg. No. A200209849 primarily to engage in general construction business, including the constructing, enlarging, repairing, developing or engaging in any work upon buildings, houses and condominium, roads, plants, bridges, airfields, piers, waterworks, railroads and other structures, except locally funded government projects. The Company started its commercial operations on July 1, 2003.

On April 15, 2008, the Board of Directors approved in its meeting the amendment of Article VI, Section 2 which states that the fiscal year of the Company shall begin on the first day of April and end on the last day of March of each year. The SEC approved the amendment on June 2, 2008.

On May 11, 2009, the Board of Directors approved in its meeting the amendment of Article I changing our Company's name from ADA Cellworks, Inc. to IGTL Network Services Philippines Inc. The SEC approved the amendment on August 18, 2009.

The Company is 99.99% owned by GTL Network Services Malaysia Sdn Bhd ("Our Parent"). The parent company's address is D–4–25 Block Rapis, 4800 Rawang Selangor Malaysia. GTL Limited, is a Global Group Enterprise which is a Network Services company, offering services and solutions to address the Network Life Cycle requirements of Telecom Carriers and Technology provider.

The principal place of business of the Parent Company is D–4–25 Block Rapis, 4800 Rawang Selangor Malaysia.

On January 3, 2013, the SEC approved the amendment of the Company's change in accounting period, pursuant to the resolution of the Board of Directors in a special meeting held on November 14, 2012, the members of the board approved the amendment of Section 2 of Article VI of the Corporation's By–laws by changing its fiscal year from first day of April and ending on last day of March to first day of January and ending on last day of December of each year.

The Company has nineteen (19) and sixty–one (61) employees as at December 31, 2015 and 2014, respectively.

The Company's registered address and principal place of business is Room 802 V. Madrigal Bldg. 6793 Ayala Avenue, Makati City.

The Company's financial statements were approved and authorized for issue by Mr. Abhinav Karnani, Finance Manager, on behalf of our Board of Directors on January 28, 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below to facilitate understanding of the data presented in the financial statements. These policies have been consistently applied, unless otherwise stated.

2.1 Statement of compliance and basis of preparation

The accompanying financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS) and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC.

The financial statements have been prepared under the historical cost convention and are presented in Philippine Peso, the Company's functional currency.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment, complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4. The Company qualifies for the exemption of mandatory adoption of the PFRS for SMEs since it is a subsidiary of a foreign parent company that will be moving towards International Financial Reporting Standards (IFRS) pursuant to the foreign country's published convergence plan. As such, the Company continued to adopt the full PFRS.

2.2. Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the Company's financial statements are consistent with those of the previous financial year. There are no new and amended standards and interpretations, which became effective beginning January 1, 2015.

2.2.1. New standards and amendment to existing standards effective in the current year and are relevant to the Company's operations

These are new standards and amendments that are effective for annual periods beginning January 1, 2016, and are relevant to the Company's operations; however, the adoption is not expected to have an impact on the financial statements:

Amendments to PAS 1, *Disclosure Initiative (effective January 1, 2016) –*

These amendments provide additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes. These amendments also introduce a clarification that the list of line items to be presented in the statements of financial position and statements of comprehensive income can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarify that an entity's share of other comprehensive income of equity–accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.

Amendments to PAS 16 and PAS 38, *Clarification of Acceptable Methods of Depreciation and Amortization (effective January 1, 2016) –*

These amendments clarifies that the revenue–based methods of depreciation are presumed to be inappropriate, as they reflect "generation of economic benefits by the asset" and not "consumption of an asset".

PFRS 9, Financial instruments (effective January 1, 2018) –

This new standard addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of PFRS 9 was issued in July 2014. It replaces the guidance in PAS 39, 'Financial instruments: Recognition and measurement' that relates to the classification and measurement of financial instruments. PFRS 9 retains but simplifies the mixed measurement model and stablishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income (OCI) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that eplaces the incurred loss impairment model used in PAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated at fair value through profit or loss. PFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for riskmanagement purposes. Contemporaneous documentation is still required but is different to that currently prepared under PAS 39. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. The Company's initial assessment of PFRS 9's potential impact on its financial statements provides that it would not significantly change the classification and measurement of its existing financial assets and liabilities, which are carried at amortized cost.

PFRS 15, *Revenue from Contracts with Customers (effective January 1, 2017) –*

This new standard replaces the following standards and interpretations: (a) PAS 11, Construction Contract; (b) PAS 18, Revenue; (c) IFRIC 13, Customer Loyalty Programmes; (d) IFRIC 15, Agreements for the Construction of Real Estate; (e) IFRIC 18, Transfer of Assets from Customers; and (f) PIC 31, Revenue – Barter transaction Involving Advertising Services. The main change is that, the Company will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This includes the use of five–step model framework: (a) Identify the contract(s) with a customer; (b) identify the performance obligations in the contract; (c) determine the transaction price; (d) allocate the transaction price to the performance obligations in the contract; and (e) recognize revenue when (or as) the Company satisfies a performance obligation. Application of this framework will depend on the facts and circumstances present in a contract with a customer and will require the exercise of judgment. The Company has yet to assess the full impact of PFRS 15 and intends to adopt PFRS 15 beginning January 1, 2017. The Company will also consider the impact of the remaining phases of PFRS 15 when issued.

There are no other relevant standards, mendments and interpretations, which are effective subsequent to January 1, 2016 that have or are expected to have a significant impact on the Company.

2.2.2. Annual Improvements to PFRS (2012–2014 cycle)

The Annual Improvements to PFRS (2012–2014 cycle) contain non–urgent but necessary amendments to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016 and are applied retrospectively. Earlier application is permitted. The Company expects that the amendments will not have any significant impact on the financial position or performance.

PFRS 5, Non–current Assets Held for Sale and Discontinued Operations – Changes in Methods of Disposal – The amendment adds specific guidance in PFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held–for distribution accounting is discontinued.

PFRS 7, Financial Instruments: Disclosures – Servicing Contracts – The amendment provides additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required.

PFRS 7, Financial Instruments: Disclosures – Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements – The amendment clarifies the applicability of the amendments to PFRS 7 on offsetting disclosures to condensed interim financial statements.

PAS 34, Interim Financial Reporting – Disclosure of Information 'Elsewhere in the Interim Financial Report' – The amendment clarifies the meaning of 'elsewhere in the interim report' and requires a cross–reference.

2.3 Financial instruments

2.3.1 Classification

The Company classifies financial assets and liabilities according to the categories described below. The classification depends on the purpose for which the financial assets and liabilities are acquired. Management determines the classification of financial assets and liabilities at initial recognition.

a Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within twelve (12) months, otherwise, they are classified as non–current.

b Loans and receivables

Loans and receivables are non–derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve (12) months after the end of the reporting period, these are classified as non–current assets. The Company's loans and receivables are comprised by cash in banks, trade receivables and other receivables, advances to related parties and refundable deposits in the statements of financial position.

c Available–for–sale financial assets

Available–for–sale financial assets are non–derivatives that are either designated in this category or not classified in any of the other categories. These are included in non–current assets unless the investment matures or management intends to dispose within twelve (12) months until the end of the reporting period.

d Held–to–maturity investments

Held–to–maturity investments are non–derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. If the Company were to sell other than an insignificant amount of held–to–maturity assets, the whole category would be tainted and reclassified as available–for–sale. The Company did not hold any financial assets under categories (a), (c) and (d).

2.3.2 Financial liabilities

The Company classifies financial liabilities in the following categories: (a) financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that are designated at fair value); and (b) financial liabilities at amortized cost. The Company did not hold any financial liabilities under category (a).

Other liabilities at amortized cost

Financial liabilities that are not classified as at fair value through profit or loss fall into this category and are subsequently measured at amortized cost. It contains contract obligations to deliver cash or another financial asset to the holder or to settle the obligation other than exchange of a fixed amount of cash. They are included in current liabilities, except for maturities greater than twelve (12) months after the reporting period which are classified in non–current liabilities. The Company's financial liabilities are classified under this category consist of accruals and other payables (except payable to government agencies) and advances from related parties.

2.3.3 Recognition and measurement

(a) Initial recognition and measurement

Regular–way purchases and sales of financial assets are recognized on trade date – the date on which our Company commits to purchase or sell the asset. Financial assets and liabilities are initially recognized at fair value plus transaction costs for all financial assets and liabilities not carried at fair value through profit or loss.

(b) Subsequent measurement

Loans and receivables are carried at amortized cost using the effective interest method.

Other financial liabilities are measured at amortized cost using the effective interest method.

2.3.4 Derecognition of financial assets and liabilities

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognized when extinguished, i.e., when the obligation is discharged, cancelled or expired.

2.3.5 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.3.6 Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

Using recent arm's length market transactions;

Reference to the current fair value of another instrument that is substantially the same; and

A discounted cash flow analysis or other valuation models.

2.3.7 Fair value hierarchy

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Company does not have any financial instruments traded in active markets (Level 1).

The fair value of financial instruments that are not traded in an active market (for example, over–the–counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to the fair value of an instrument are observable, the instrument is included in Level 2. The Company does not have any financial instruments classified in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Specific valuation technique used to value these financial instruments is discounted cash flow analysis. Information about the valuation techniques and inputs used in determining the fair value of financial assets are disclosed in Note 5.4.

2.4 Cash on hand and in banks

Cash, which includes cash on hand and deposits held at call with banks and carried in the statements of financial position at face value, are unrestricted and immediately available for use in the current operations.

2.5 Trade and other receivables

Trade receivables are amounts due from customer for services rendered in the ordinary course of business. If collection is expected in one year or less (or in normal operating cycle of business if longer), they are classified as current assets. If not, they are presented as non–current assets.

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

A provision for impairment of trade and other receivables is established when there is objective evidence that we will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization and default or delinquency in payments are considered indicators that the account receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short–term receivables are not discounted if the effect of discounting is immaterial. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statements of comprehensive income.

When trade and other receivables are uncollectible, it is written–off against the allowance account for accounts receivable – trade. Subsequent recoveries of amounts previously written–off are recognized as income in the statements of comprehensive income.

2.6 Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The carrying amount of the financial asset is reduced directly by the impairment loss for all financial assets with the exception of accounts receivables, where the carrying amount is reduced through the use of an allowance account.

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 recognized, the previously recognized impairment loss is reversed.

There are no impairment losses recognized for the years ended December 31, 2015 and 2014.

2.7 Prepayments and other current assets

Prepayments include advance payments for rental. These represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to expense as they are consumed in operations or expire with the passage of time.

Other current assets pertain to prepaid taxes, deferred input taxes and creditable withholding tax which are stated at fair value less any impairment loss.

2.8 Related party transactions and relationships

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities, which are under common control with the reporting enterprise or between and/or among the reporting enterprises and their key management personnel, directors or their shareholders.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non–related entities in an economically comparable market.

There are no compensation paid for key management personnel for the years ended December 31, 2014 and 2013. The nature of transactions with other related parties is disclosed in Note 9.

Advances from/to related parties are initially recorded at transaction price and are subsequently measured at amortized cost using effective interest method.

2.9 Property and equipment, net

Property and equipment are carried at cost less accumulated depreciation, amortization, and any impairment in value. The cost of an asset comprises its purchase price and directly attributable costs of bringing the assets to working condition for its intended use.

Depreciation is computed using the straight–line method over the estimated useful lives (EUL) of the related asset as follows:

	Asset Life in years
Project equipment	3
Computer equipment	3
Office equipment	1 – 3
Furniture and fixtures	4
Communication equipment	3
Leasehold improvement	2

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that the future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All subsequent expenditures are recognized as expense in the period in which these are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts and the resulting gain or loss, which is determined by comparing the proceeds with carrying amount, is charged to statements of comprehensive income.

2.10 Impairment of non–financial assets

The carrying values of property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount of an asset exceeds its recoverable amount, the asset or cash generating unit is written down to its recoverable amount. The estimated recoverable amount is the higher between the assets' net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction less the estimated cost of disposal while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. An impairment loss is charged to operations immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognized revaluation surplus for the same asset.

No impairment of non–financial assets has been recognized for the years ended December 31, 2015 and 2014.

2.11 Refundable deposits

Refundable deposits represent rental deposit with the lessor for the office lease which is initially recorded at fair value and subsequently measured at amortized cost less any impairment loss.

2.12 Taxation

Income tax expense represents the sum of the currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable nor deductible. The Company's liability for current tax is calculated using the tax rates that have been enacted or substantively enacted as at the reporting date.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from excess of the minimum corporate income tax (MCIT) over the regular corporate income tax and unused net operating loss carryover (NOLCO), to the extent that is probable that taxable profit will be available against which the dedctible temporary differences and carryforward of unused MCIT and unsuse NOLCO can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates applicable to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and intend to settle the current tax assets and liabilities on a net basis.

Current tax and deferred tax shall be recognized outside profit or loss if the tax relates to items that are recognized, in the same or a different period, outside profit or loss. Therefore, current tax and deferred tax that relates to items that are recognized, in the same or a different period:

(a) in other comprehensive income, shall be recognized in other comprehensive income;

(b) directly in equity, shall be recognized directly in equity.

2.13 Accruals and other payables

Accruals and other payables are recognized in the period in which the money or services are received, or when a legally enforceable claim against the Company is established, or when the corresponding assets and expenses are recognized/incurred.

Accruals and other payables are measured at fair value less any directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method. Accruals and other payable are derecognized when extinguished.

2.14 Provisions

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 will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre–tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

There are no provisions recognized as at December 31, 2015 and 2014.

2.15 Revenue and expense recognition

Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that the economic benefits will flow to the Company; and the costs incurred or to be incurred can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable.

(i) Service income

Service income pertains to revenue from optimization services performed for various customers. Service income is recognized based on percentage of completion of the services rendered.

(ii) Interest income

Interest income on bank deposits is recognized when earned, net of applicable final tax.

(iii) Cost and expenses

Direct costs and expenses are recorded when incurred.

2.16 Leases

Company as lessee

Leases, where a significant portion of risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases are charged to operations on a straight–line basis over the period of the lease.

Future minimum lease payments are the payments over the lease term that the lessee is or required to make, excluding contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor, together with any amounts guaranteed by the lessee or by a party related to the lessee.

For operating lease, the standard requires disclosure on the total future minimum lease payments under non–cancellable operating leases for each of the following periods:

i. not later than one year;

ii. later than one year and not later than five years; and

iii. later than five years.

2.17 Employees costs

Wages, salaries, bonuses and social security contribution are recognized as an expense in the year in which the associated services are rendered by the employees of the Company. Short–term accumulating compensated absences such as paid annual leave are recognized when services are rendered by employees that increase their entitlement to future compensation absences. Short term non–accumulating compensated absences such as sick and medical leave are recognized when the absences occur.

2.18 Foreign currency transactions

In preparing the financial statements, transactions in foreign currencies other than our functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currency are retranslated at the rates prevailing at the reporting date. Non–monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair values are determined. Non–monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Foreign currency gain or loss resulting from the settlement of such transaction at year–end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of comprehensive income.

2.19 Share capital

Share capital is determined using the nominal value of shares that have been issued and fully paid.

Retained earnings (deficit) include current and prior years' result of operations as disclosed in the statements of changes in equity (capital deficiency).

Appropriated retained earnings pertain to restricted retained earnings for future expansion which is measured at nominal value.

2.20 Subsequent events

The Company identifies subsequent events as events that occur after the reporting date but before the date when the financial statements are authorized for issue. Any subsequent events that provide additional information about the Company's financial position at the reporting date are reflected in the financial statements.

Events that are non–adjusting events are disclosed in the notes to the financial statements when material.

There are no subsequent events after the reporting date that requires adjustments or disclosures in the financial statements.

3 CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The primary objectives of the Company's capital management are to ensure the Company's ability to continue as a going concern and to provide adequate returns and benefits to shareholders and other stakeholders.

The Company manages the following capital as shown in the statements of changes in equity:

	Note	2015	2014
Authorized share capital	22	**5,038,000**	5,038,000
Subscribed & Paid–up capital stock	22	**1,763,800**	1,763,800

The Company monitors capital on the basis of the carrying amount of equity as presented on the face of the statements of financial position. Capital for the reporting period under review is summarized as follows:

	2015	2014
Total liabilities	**17,393,739**	21,522,750
Total equity	**(2,409,005)**	(264,691)
Debt–to–equity ratio	**–7.22:1**	–81.31:1

The Company's Board of Directors has overall responsibility for monitoring capital in proportion to risk. Profiles or capital ratios are set in the light of changes in the Company's external environment and the risks underlying the Company's business, operations and industry.

The shareholders have committed to provide financial support to enable us to continue as a going concern.

The Company's goal in capital management is to maintain a debt–to–equity structure ratio of 1:1 on a monthly basis.

The Company is not subject to externally imposed capital requirements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company's financial statements prepared in accordance with PFRS require management to make judgments and estimates that affect amounts reported in the financial statements and related notes. Judgments and estimates 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. Actual results may ultimately differ from these estimates.

The following represents a summary of the significant estimates and judgments in the financial statements.

4.1 Critical management judgments in applying accounting policies

In process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements.

a. Lease agreements

The Company has entered into an operating lease agreement for the current year. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risks and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

b. Functional currency

PAS 21 requires management to use its judgment to determine the entity's functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions that are relevant to the entity.

The Company's Board of Directors considers the Philippine Peso as the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions.

It is the currency which measures the performance and reports the results of the Company's operations.

c. Provisions

Provisions for liabilities are recognized when the Company has a present obligation as a result of a past event and 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 can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation.

There are no provisions recognized as at December 31, 2015 and 2014.

d. Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

The Company has no pending cases for disclosure as at December 31, 2015 and 2014.

4.2 Critical accounting estimates and assumptions

a. Allowance for impairment of trade and other receivables

The Company assesses whether objective evidence of impairment exists for receivables that are individually significant and collectively for receivables that are not individually significant. Allowance for doubtful accounts is maintained at a level considered adequate to provide for potentially uncollectible receivables.

The Company has not provided allowance for doubtful accounts and impairment loss since the management believes that the receivables are fully recoverable.

The carrying values of trade and other receivables as at December 31, 2015 and 2014 are as follows:

	Note	2015	2014
Trade receivables	7	**2 ,515,026**	9,722,759
Other receivables	7	**471,479**	371,820
		2,986,505	10,094,579

b. Estimated useful lives of property and equipment

The management estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of the property and equipment (Note 2.9) are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of our assets. In addition, the estimation of the useful lives of property and equipment is based on the Company's collective assessment of industry practice, internal evaluation and experience with similar assets. It is possible, however, that the future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these circumstances. A reduction in the estimated useful lives of property and equipment would increase recorded operating expenses and decrease non–current assets.

c. Impairment of property and equipment

The Company performs an impairment review annually at the end of each reporting period. Purchase accounting requires extensive use of accounting estimates and judgment to allocate the purchase price to the fair market values of the assets and liabilities purchased.

Determining the fair value of property and equipment, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS.

The carrying value of property and equipment amounts to P1,086,842 and P2,089,869 (Note 10) as at December 31, 2015 and 2014, respectively.

The management assessed that there are no impairment losses to be recognized for the years ended December 31, 2015 and 2014.

d. Impairment of non–financial assets

The Company's policy on estimating the impairment of non–financial assets is discussed in Note 2.10. Though management believes that the assumptions used in estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

There are no impairment losses recognized for the years ended December 31, 2015 and 2014.

e. Realizability of deferred tax assets

A certain degree of significant judgment is required in determining the provision for income taxes as there are certain transactions for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Further, recognition of deferred income tax depends on the management's assessment of the probability of available future taxable income against which the temporary differences can be applied.

We perform an annual evaluation of the likelihood that deferred tax assets will be realized. The assessment is based on historical and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities.

The carrying value of the Company's deferred tax assets amounts to P2,523,625 and P1,544,142 (Note 12) as at December 31, 2015 and 2014, respectively.

f. Revenue recognition

The Company's revenue recognition policies require the use of estimates and assumptions that may affect the reported amounts of revenues and receivables. Differences between the amounts initially recognized and actual settlements are taken up in the accounts upon reconciliation. However, there is no assurance that such use of estimates may not result to material adjustments in future periods.

5. FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk, market risk and fair value estimates. The Company's overall risk management program seeks to minimize potential adverse effects in our financial performance. The policies of managing specific risks are summarized below:

Financial risk factors

The Company's financial assets and liabilities, comprising mainly of cash in banks, trade and other receivables, advances to/from related parties, refundable deposits and accruals and other payables, are exposed to a variety of financial risks, which include credit risk, liquidity risk, foreign exchange risk and fair value estimates. Management ensures that we have sound policies and strategies in place to minimize potential adverse effects of these risks in the Company's financial performance.

5.1 Credit risk management

Credit risk refers to the risk that a counterpart will default on its obligations resulting in financial loss to the Company. The Company is exposed to the risk for various financial instruments, for example by granting receivables to the customers and payment of deposits to creditors. The Company has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the financial statements or in the detailed analysis provided in the notes to financial statements, as summarized below:

2015	**Note**	**Carrying amount**	**Neither past due nor impaired**	**Past due but not Impaired**
Cash in banks	6	**2,520,147**	**2,520,147**	**–**
Trade and other receivables	7	**2,986,505**	**2,623,025**	**363,480**
Advances to related parties	9	**525,973**	**–**	**525,973**
Refundable deposits	11	**53,120**	**53,120**	**–**
		6,085,745	**5,196,292**	**889,453**
2014	Note	Carrying amount	Neither past due nor impaired	Past due but not impaired
Cash in banks	6	272,272	272,272	–
Trade and other receivables	7	10,094,579	7,591,379	2,503,200
Advances to related parties	9	525,973	–	525,973
Refundable deposits	11	53,120	53,120	–
		10,945,944	7,916,771	3,029,173

None of the above financial assets are used for collateral or other credit enhancements. Accordingly, the Company has assessed the quality of the following financial assets:

a. The credit risk for cash in banks is assessed as low risk since cash are deposited in reputable banks which have low probability of insolvency.

b. The credit quality of the Company's trade and other receivables is assessed by reference to historical collection pattern of each individual account.

The following is the aging of trade and other receivables:

	2015	2014
Neither past due nor impaired – current	**2,623,025**	7,219,559
Past due accounts but not impaired		
61 – 90 days		2,408,000
Above 120 days	**363,480**	467,020
	2,986,505	10,094,579

The Company paid security deposits for existing non–cancellable lease agreements amounting to P53,120 (Note 11) as at December 31, 2015 and 2014, respectively. These are presented as non–current assets as these are not expected to be refunded within the next twelve (12) months. The risks associated with the refundable deposits are very low since the amount can be collected upon termination of the related lease contracts.

The credit risk for advances to related parties is assessed as low risk since amounts are fully recoverable from the related parties.

None of the above financial assets have been renegotiated during the year.

5.2 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long–term funding and liquidity management requirements.

As at December 31, 2015 and 2014, the Company's financial liabilities have contractual maturities as follows:

2015	**Note**	**Current Within 12 months**	**Non–current**
Accruals and other payables *	13	**2,986,006**	**–**
Advances from related parties	9	**–**	**11,716,213**
		2,986,006	**11,716,213**
2014	Note	Current Within 12 months	Non–current
Accruals and other payables *	13	6,056,388	–
Advances from related parties	9	–	11,903,215
		6,056,388	11,903,215

* Excludes statutory payables such as deferred output VAT, VAT payable, withholding taxes, SSS, PHIC & HDMF and documentary stamp tax payables.

The total current assets exceed total current liabilities by P5,117,648 and P7,425,420 as at December 31, 2015 and 2014, respectively, computed as follows:

	2015	2014
Total current assets	**10,795,174**	17,044,955
Total current liabilities	**5,677,526**	9,619,535
	5,117,648	7,425,420

The Company manages liquidity risk by maintaining adequate highly liquid assets in the form of cash in banks to assure necessary liquidity and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

5.3 Foreign exchange risk

Foreign exchange risk arises when recognized assets and liabilities are denominated in a currency that is not an entity's functional currency. The Company is exposed to foreign exchange risk primarily with respect to our monetary assets and liabilities denominated in several foreign currency denominations. The Company's foreign currency denominated monetary assets and liability are shown in Note 20.

The following table demonstrates the sensitivity to a reasonably possible changes, based on historical changes in Philippine Peso–US Dollar, Philippine exchange rates, with all variables held constant, of the Company's profit before tax (due to changes in fair value of monetary assets and liabilities) and the Company's equity on December 31, 2015.

Currency	**Volatility rate**	**Effect on loss before tax 2015**
Net Foreign currency denominated liabilities		
US Dollar	**0.18%**	**20,078**
		20,078
Currency	Volatility rate	Effect on loss before tax 2014
Net Foreign currency denominated liabilities		
US Dollar	-0.38%	42,970
		42,970

As at December 31, 2015 and 2014 the Company's exposure to foreign currency risk is not considered significant.

5.4 Fair value estimation of financial assets and liabilities

The carrying amounts of financial assets and liabilities which approximate their fair values presented in the statements of financial position are shown below:

		2015		**2014**	
	Note	**Carrying Value**	**Fair Value**	Carrying Value	Fair Value
Financial assets:					
Cash in banks	6	**2,520,147**	**2,520,147**	272,272	272,272
Trade and other receivables	7	**2,986,505**	**2,986,505**	10,094,579	10,094,579
Advances to related parties	9	**525,973**	**525,973**	525,973	525,973
Refundable deposits	11	**53,120**	**53,120**	53,120	53,120
		6,085,745	**6,085,745**	10,945,944	10,945,944
Financial liabilities:					
Accruals and other payables *	13	**2,986,006**	**2,986,006**	6,056,388	6,056,388
Advances from related parties	9	**11,716,213**	**11,716,213**	11,903,215	11,903,215
		14,702,219	**14,702,219**	17,959,603	17,959,603

* Excludes statutory payables such as deferred output VAT, VAT payable, withholding taxes, SSS, PHIC & HDMF and documentary stamp tax payables.

A description of the Company's risk management objectives and policies for financial instruments is provided in Note 5.

6. CASH ON HAND AND IN BANKS

This account consists of:

	2015	2014
Cash in banks	**2,519,620**	272,272
Petty cash fund	**527**	1,644
	2,520,147	273,916

Cash in banks generally earn interest at prevailing bank deposit rates. Total interest income earned for the years ended December 31, 2015 and 2014 amounts to P2,669 and P7,818, respectively.

Unrealized foreign exchange gain (loss) recognized in the statements of comprehensive income due to restatement of the cash in bank dollar account amounts to P6526 and P14 for the years ended December 31, 2015 and 2014, respectively.

7. TRADE AND OTHER RECEIVABLES

This account consists of:

	2015	2014
Trade receivables	**2,515,026**	9,722,759
Other receivables	**471,479**	371,820
	2,986,505	10,094,579

Other receivables pertain to the Company's advances to officers and employees as at December 31, 2015 and 2014.

No allowance for doubtful accounts was recognized since trade receivables are fully recoverable.

The Company's aging of trade receivable is as follows:

	2015	2014
Current	**2,623,025**	7,219,559
Past due accounts but not impaired		
61–90 days		2,408,000
Above 120 days	**363,480**	467,020
	2,986,505	10,094,579

Trade and other receivables are expected to be collected within the next twelve (12) months.

The Company believes that the carrying amounts of our trade and other receivables approximate their fair values. All receivables are unsecured and non–interest bearing.

8. PREPAYMENTS AND OTHER CURRENT ASSETS

The account consists of:

	2015	2014
Creditable withholding tax	**4,286,601**	3,492,852
Advances to suppliers	**40,000**	1,779,657
Prepaid tax	**868,239**	868,239
Input VAT	**93,682**	371,006
Prepaid expense – rental scanner	**–**	157,761
Deferred input VAT	**–**	6,945
	5,288,522	6,676,460

9. RELATED PARTY TRANSACTIONS

The Company's relationships with related parties are described below:

Companies	Relationship
GTL Network Services Malaysia SDN BHD	Parent Company
GTL USA Inc.	Affiliate with same ultimate parent company
GTL Vietnam Co., Ltd	Affiliate with same ultimate parent company
PT. GTL Indonesia	Affiliate with same ultimate parent company
GTL (Singapore) PTE Ltd.	Affiliate with same ultimate parent company
GTL South Africa	Affiliate with same ultimate parent company
GTL Ltd India	Affiliate with same ultimate parent company
GTL Myanmar	Affiliate with same ultimate parent company

The significant transactions in the normal course of business with related parties are described below:

1. **Parent Company**

The Company grants non–interest bearing advances with no specific repayment dates for working capital purposes as follows:

Category	**Amount of transactions**	**Outstanding balance**	**Terms**	**Condition**
Year 2015				
a. Advances from parent			Have no specific repayment terms; non– interest bearing	Unsecured, no impairment
GTL Network Services Malaysia SDN BHD	–	8,152,312		
b . Advances to parent			Have no specific repayment terms; non– interest bearing	Unsecured, no impairment
GTL Network Services Malaysia SDN BHD	–	525,973		
Year 2014				
a. Advances from parent			Have no specific repayment terms; non– interest bearing	Unsecured, no impairment
GTL Network Services Malaysia SDN BHD	–	9,827,539		
b. Advances to parent			Have no specific repayment terms; non– interest bearing	Unsecured, no impairment
GTL Network Services Malaysia SDN BHD	–	525,973		

2. **Affiliate with same ultimate parent company**

Category	Amount of transactions	Outstanding balance	Terms	Condition
Year 2015				
Advances from affiliates				
GTL USA Inc.	–	32,550	Have no specific repayment terms, non–interest bearing	Unsecured, no impairment
Less: Write off		(32,550)		
Balance		–		
GTL Singapore Pte Ltd	–	1,036,967	Have no specific repayment terms, non–interest bearing	Unsecured, no impairment
GTL Ltd India		268,054	Have no specific repayment terms, non–interest bearing	Unsecured, no impairment
GTL Saudi Arabia Co. Ltd		847,080	Have no specific repayment terms, non–interest bearing	Unsecured, no impairment
GTL International Ltd	1,411,800	1,411,800	Have no specific repayment terms, non–interest bearing	Unsecured, no impairment
	1,411,800	3,563,901		
2014				
Advances from affiliates				
GTL USA Inc.	–	402,876	Have no specific repayment terms, non–interest bearing	Unsecured, no impairment
Less: Write off		(370,276)		
Balance		32,550		
Pt. GTL Indonesia Ltd	–	1,147,400	Have no specific repayment terms, non–interest bearing	Unsecured, no impairment
Less: Write off		(1,147,400)		
Balance		–		
GTL Singapore Pte Ltd	–	985,852	Have no specific repayment terms, non–interest bearing	Unsecured, no impairment
GTL Ltd India	32,243	252,314	Have no specific repayment terms, non–interest bearing	Unsecured, no impairment
GTL Saudi Arabia Co. Ltd	804,960	804,960	Have no specific repayment terms, non–interest bearing	Unsecured, no impairment
	837,203	2,075,676		

3. Key management personnel

There is no compensation paid for key management personnel for the years ended December 31, 2015 and 2014.

10. PROPERTY AND EQUIPMENT, NET

Details of property and equipment are as follows:

	Project equipment	Computer equipment	Office equipment	Furniture and fixtures	Subtotal
Cost:					
Balance at January 1, 2014	5,176,451	1,483,900	579,699	45,403	7,285,453
Additions	617,126	139,821	–	–	756,947
Adjustments	–	6,429	–	–	6,429
Balance at December 31, 2014	5,793,577	1,630,150	579,699	45,403	8,048,829
Additions	–	–	–	–	–
Adjustments	–	–	–	–	–
Balance at December 31, 2015	5,793,577	1,630,150	579,699	45,403	8,048,829
Accumulated depreciation:					
Balance at January 1, 2014	2,945,135	1,473,050	563,395	45,403	5,026,983
Depreciation	910,031	16,625	16,304	–	942,959
Adjustments	–	6,429	–	–	6,429
Balance at December 31, 2014	3,855,166	1,496,104	579,699	45,403	5,976,372
Depreciation	943,473	51,816	–	–	995,289
Adjustments	–	–	–	–	–
Balance at December 31, 2015	4,798,639	1,547,920	579,699	45,403	6,971,661
Carrying values:					
As at December 31, 2014	1,938,411	134,046	–	–	2,072,457
As at December 31, 2015	994,938	82,230	–	–	1,077,168

	Subtotal	Communication equipment	Leasehold improvement	Total
Cost:				
Balance at January 1, 2014	7,285,453	7,549	169,643	7,462,645
Additions	756,947	23,215	–	780,162
Adjustments	6,429	–	–	6,429
Balance at December 31, 2014	8,048,829	30,764	169,643	8,249,236
Additions	–	–	–	–
Adjustments	–	–	–	–
Balance at December 31, 2015	8,048,829	30,764	169,643	8,249,236
Accumulated depreciation:				
Balance at January 1, 2014	5,026,983	7,549	169,643	5,204,175
Depreciation	942,960	5,803	–	948,763
Adjustments	6,429	–	–	6,429
Balance at December 31, 2014	5,976,372	13,352	169,643	6,159,367
Depreciation	995,289	7,738	–	1,003,027
Adjustments	–	–	–	–
Balance at December 31, 2015	6,971,661	21,090	169,643	7,162,394
Carrying values:				
As at December 31, 2014	2,072,457	17,412	–	2,089,869
As at December 31, 2015	1,077,168	9,674	–	1,086,842

The above property and equipment have not been used as collateral for a loan.

The Company sold fully depreciated assets resulting to a gain of P29,428 as at December 31, 2015.

The cost of fully depreciated property and equipment that is still in use and included in the above balances amounts to P5,730,024 and P4,915,157 as at December 31, 2015 and 2014, respectively.

11. REFUNDABLE DEPOSITS

This account pertains to payment of security deposit to Ceus Realty Corporation for the rental of office amounting to P53,120 as at December 31, 2015 and 2014, respectively.

12. DEFERRED TAX ASSET

This account pertains to the following:

	NOLCO	MCIT	Unrealized foreign exchange loss (gain)	Total
Balance, January 1, 2014	–	–	303,678	303,678
Current year movements:				
Tax benefits on NOLCO, 2014	1,508,015	–	–	1,508,015
Minimum corporate income tax, 2014	–	35,136	–	35,136
Unrealized foreign exchange loss, net – 2014	–		991	991
Unrealized foreign exchange loss, net – 2013	–	–	(303,678)	(303,678)
Balance, December 31, 2014	1,508,015	35,136	991	1,544,142
Current year movements:				
NOLCO, 2015	1,364,390	–	–	1,364,390
Minimum corporate income tax, 2015	–	59,387	–	59,387
Unrealized foreign exchange gain, net – 2015	–	–	(443,303)	(443,303)
Unrealized foreign exchange loss, net – 2014	–	–	(991)	(991)
Balance, December 31, 2015	2,872,405	94,523	(443,303)	2,523,625

13. ACCRUALS AND OTHER PAYABLES

This account consists of:

	2015	2014
Accrued expenses	**2,061,084**	2,497,320
Deferred output VAT	**1,282,997**	2,037,233
Salary payable	**528,260**	1,827,419
VAT payable	**740,194**	770,707
Withholding tax payable – compensation	**471,721**	314,473
Withholding tax payable – expanded	**47,685**	287,608
Bonus/13th month pay payable	**123,276**	99,743
SSS, Philhealth and HDMF payable	**17,008**	87,246
Documentary stamp tax payable	**72,528**	65,880
Others	**273,286**	1,631,906
	5,618,139	9,619,535

Accrued expenses consist mainly of professional fees, consultancy fees, retainer fees, car rental and utilities.

Accruals and other payables are expected to be settled within the next twelve (12) months.

Others pertain to advances from various suppliers.

The carrying values of accruals and other payables approximate their fair values due to their short–term nature.

14. SERVICE INCOME

This account pertains to revenue earned from optimization services performed to various customers amounting to P33,521,955 and P46,088,267 for the years ended December 31, 2015 and 2014, respectively.

15. COST OF SERVICES

This account consists of:

	Note	2015	2014
Salaries and wages	17	**7,053,186**	12,193,587
Professional fees		**6,604,235**	10,775,991
Contractors fees		**3,455,177**	7,467,438
Rent expenses	19	**7,881,821**	7,062,498
Employee related expenses	17	**1,730,272**	2,978,036
Transportation and travel		**1,827,577**	2,298,621
Meal expenses		**953,877**	1,239,056
Communications		**15,108**	541,414
Hotel and house accomodation		**975,087**	312,644
Tools expense		**85,714**	975,703
Staff welfare		**–**	15,012
		30,582,054	45,860,000

16. ADMINISTRATIVE EXPENSES

This account consists of:

	Note	2015	2014
Salaries and wages	17	**3,738,065**	1,194,857
Depreciation and amortization	18	**1,003,027**	948,762
Professional fees		**830,536**	1,018,635
Communication, light and water		**513,054**	183,321
Taxes and licenses	25.5	**386,923**	579,036
SSS, Philhealth and HDMF contributions	17	**363,385**	541,268
Rent expenses	19	**316,071**	313,307
Transportation and travel		**149,854**	78,743
Repairs and maintenance		**66,191**	117,759
Supplies		**19,225**	23,345
Bank charges		**14,136**	8,875
Freight, handling and courier		**7,657**	36,301
Insurance expense		**5,495**	26,826
Penalties		**91**	48,717
Bad debts expense		**–**	1,833,641
Representation expense		**–**	1,029,896
Realized loss on foreign exchange, net		**–**	8,175
Unrealized loss on foreign exchange, net	20	**–**	3,301
Miscellaneous expenses		**100,375**	231,163
		7,514,085	8,225,928

17. EMPLOYEES COSTS

This account consists of:

	Note	2015	2014
Charged to cost of services:			
Salaries and wages	**15**	**7,053,186**	12,193,587
Employee related expenses	**15**	**1,730,272**	2,978,036
		8,783,458	15,171,623
Charged to administrative expenses:			
Salaries and wages		**3,611,491**	1,104,573
Employee related expenses		**126,574**	90,284
SSS, Philhealth and HDMF contributions		**363,385**	541,268
	16	**4,101,450**	1,736,125
		12,884,908	16,907,748

18. DEPRECIATION AND AMORTIZATION

This account consists of:

	2015	2014
Project equipment	**943,473**	910,030
Computer equipment	**51,816**	16,625
Office equipment	**–**	16,304
Mobile phones	**7,738**	5,803
	1,003,027	948,762

19. LEASE AGREEMENT

The Company has entered into the following lease agreements during the years ended December 31, 2015 and 2014 with Ceus Realty Corporation for the lease of office unit located at Room 201, Vicente Madrigal, 6793 Ayala Avenue, Makati City. The lease contract commenced on May 15, 2015 until November 15, 2015, renewable for a similar period upon mutual agreement of both parties, with a monthly rental of P25,725. Relative to the agreement, our Company paid two (2) months deposit. This has been renewed up to February 15, 2016.

The future minimum lease payments under non–cancellable operating leases are as follows:

	2015	2014
Not later than one year	**42,275**	144,866
Later than one year and not later than five years	**–**	–
	42,275	144,866

Total rent expenses charged to operations amounts to P8,197,892 and P7,375,805 for the years ended December 31, 2015 and 2014, respectively, computed as follows.

	Note	2015	2014
Charged to cost of services	15	**7,881,821**	7,062,498
Charged to administrative expenses	16	**316,071**	313,307
		8,197,892	7,375,805

20. FOREIGN CURRENCY DENOMINATED ASSETS AND LIABILITY

The Company's dollar denominated assets and liability are as follows:

		2015	2014
Assets			
Cash in bank	$	**564**	683
Advances to related parties		**11,761**	11,761
		12,325	12,444
Liability			
Advances from related parties		**248,963**	266,172
Net foreign currency denominated liabilities	$	**(236,638)**	(253,728)
Year end closing exchange rate	P	**47.060**	44.720
Total	P	**(11,136,184)**	(11,346,716)

Unrealized gain (loss) on foreign exchange credited to operations amounts to P1,477,677 and P(3,301) for the year ended December 31, 2015 and 2014, respectively.

21. INCOME TAXES

The Company reported loss before tax for the years ended December 31, 2015 and 2014 amounting to P3,064,410 and P6,461,312, respectively, which resulted to income tax benefits as follows:

	2015	2014
Profit (Loss) before income tax	**(3,064,410)**	(6,461,312)
Add (Deduct):		
Permanent differences:		
Interest income subject to final tax	**(2,669)**	(7,818)
Non–deductible penalties and surcharges	**91**	48,717
Bad debts expense	**–**	1,833,641
Disallowed representation	**–**	569,013
Temporary differences:		
Unrealized gain on foreign exchange in 2013, realized in 2014	**–**	(1,012,260)
Unrealized loss on foreign exchange in 2014, realized in 2015	**(3,301)**	3,301
Unrealized loss on foreign exchange in 2015	**(1,477,677)**	–
Taxable income (NOLCO)	**(4,547,966)**	(5,026,718)
Income tax rate	**30%**	30%
Income tax expense – current	**–**	–
Income tax expense – deferred	**(920,096)**	(1,205,328)
	(920,096)	(1,205,328)

As at December 31, 2015, the amount and applicable years that NOLCO is deductible from taxable income is shown below:

Years incurred	NOLCO	Applied	Expired	NOLCO Unapplied	Expiry
2015	4,547,966	–	–	4,547,966	2018
2014	5,026718	–	–	5,026718	2017
2012	5,115,335	5,115,335	–	–	2015

The Company is subject to Minimum Corporate Income Tax for the years ended December 31, 2015 and 2014 computed as follows:

	2015	2014
Service income	**33,521,955**	46,088,267
Cost of services	**30,582,054**	45,860,000
Gross profit	**2,939,901**	228,267
Other income	**29,428**	1,528,531
Total taxable income	**2,969,329**	1,756,798
Income tax rate	**2%**	2%
Income tax due	**59,387**	35,136
Last year's excess credits	**(4,211,795)**	(3,432,496)
Creditable withholding taxes for the year	**(575,090)**	(814,435)
Excess tax credits	**(4,727,498)**	(4,211,795)

22. SHARE CAPITAL

The Company's share capital consists of:

	Shares	**2015**	2014
Common shares – P100 par value per share			
Authorized shares – 50,380 shares	50,380	**5,038,000**	5,038,000
Subscribed capital stock – 12,595 shares			
Balance at year end	12,595	**1,259,500**	1,259,500
Paid up capital – 5,043 shares			
Balance at year end	5,043	**504,300**	504,300

As at December 31, 2015, the Company has two (2) shareholders owning one hundred (100) or more shares of the share capital.

23. APPROPRIATED RETAINED EARNINGS

Per special meeting of the Board of Directors held last February 12, 2015, the Board of Directors unanimously approved the return of appropriated retained earnings amounting to P3,982,693 to unappropriated retained earnings.

Per special meeting of the Board of Directors held last February 25, 2014, the Board of Directors unanimously approved to appropriate portion of its retained earnings amounting to P1,162,606 for the Corporation's capital expenditures and future business expansion.

Per special meeting of the Board of Directors held last March 22, 2013, the Board of Directors unanimously approved to appropriate portion of its retained earnings amounting to P2,820,087 for the Corporation's capital expenditures and future business expansion.

24. BASIC LOSS PER SHARE

This account consists of:

	2015	2014
Loss for the period	**(2,144,314)**	(5,255,984)
Divided by: Weighted average number shares outstanding	**5,043**	5,043
	(425)	(1,042)

25. SUPPLEMENTARY TAX INFORMATION UNDER REVENUE REGULATION NO. 15–2010

The BIR Revenue Regulations (RR) No. 15–2010 issued on November 25, 2010 prescribes the additional procedural and/or documentary requirements in connection with the preparation andsubmission of financial statements accompanying the tax returns. It states that, companies are required to disclose, in addition to the disclosures mandated under PFRS and such other standards and/or conventions that may be adopted, in the Notes to the Financial Statements, information on taxes, duties and license fees paid or accrued during the taxable year.

In compliance with the requirements set forth by RR 15–2010 hereunder are the information on taxes, duties and licenses paid or accrued for the years ended December 31, 2015 and 2014, respectively.

25.1 Value Added Tax (VAT)

The Company's VAT payable is computed as follows:

	2015	2014
VAT Output Tax		
Total collections for the fiscal year	**39,828,681**	44,638,547
Multiply by: Tax rate	**12%**	12%
	4,779,442	5,356,626

	2015	2014
VAT Input Tax		
Beginning of the year	**–**	–
Current year's purchases / payments for:	**–**	–
Goods other than for resale or manufacture	**–**	–
Services lodged under other accounts	**863,337**	1,305,818
Balance at the end of the year	**863,337**	1,305,818

	2015	2014
VAT output tax declared for the year	**4,779,442**	5,356,626
Less: Balance of VAT input tax at the end of the year	**863,337**	1,305,818
Value Added Tax payable for the year	**3,916,105**	4,050,808
Less: VAT payments for the current year		
1st quarter	**286,031**	1,121,280
2nd quarter	**576,444**	562,113
3rd quarter	**1,312,445**	1,730,525
October and November	**1,094,673**	244,132
VAT still due and payable	**646,512**	392,758

25.2 Landed cost, customs duties and tariffs

The Company did not engage in any importations which are subject to the determination of actual landed cost as the basis of computation and payment of customs duties and tariffs.

25.3 Excise taxes

The Company has no excise tax for the years ended December 31, 2015 and 2014.

25.4 Documentary stamp taxes

This account consists of:

		2015			2014	
	Paid	**Accrued**	**Total**	Paid	Accrued	Total
Advances from affiliates	**–**	**6,649**	**6,649**	20,163	45,717	65,880

25.5 Other taxes, local and national

This account consists of taxes and licenses paid and accrued for the years ended December 31, 2015 and 2014 as follows:

	2015			2014		
	Paid	**Accrued**	**Total**	Paid	Accrued	Total
Business Permit	**367,124**	**–**	**367,124**	562,900	–	562,900
Community Tax Certificate	**10,500**	**–**	**10,500**	10,500	–	10,500
Documentary Stamp	**–**	**6,649**	**6,649**	–	4,186	4,186
Annual Registration fee	**500**	**–**	**500**	500	–	500
Other Licenses	**2,150**	**–**	**2,150**	950	–	950
	380,274	**6,649**	**386,923**	574,850	4,186	579,036

25.6 Withholding taxes

The Company's withholding taxes are as follows:

i. Withholding tax on compensation

	2015	2014
Total withholding tax payable for the year	**2,177,576**	2,497,387
Less: Payment made from January to November	**1,705,855**	2,182,914
Witholding tax still due and payable	**471,721**	314,473

ii. Expanded withholding tax

	2015	2014
Total expanded withholding tax payable for the year	**1,537,114**	2,157,145
Less: Payment made from January to November	**1,489,429**	1,869,537
Witholding tax still due and payable	**47,685**	287,608

iii. Creditable withholding tax

	2015	2014
Beginning of the year	**3,492,852**	2,713,553
Current year's creditable withholding tax	**793,749**	814,435
Total creditable withholding tax payable for the year	**4,286,601**	3,527,988
Less: Creditable withholding tax applied for the current year	**–**	35,136
Creditable Witholding tax balance	**4,286,601**	3,492,852

25.7 Tax assessment

The Company has not received any Final Assessment Notice (FAN) from the BIR.

On August 7, 2015, the Company received a Letter of Authority (LOA) from the BIR Revenue District No. 050 – South Makati under LOA with SN:eLA 201100082613 for the investigation of all of its internal revenue tax liabilities for the year 2014.

On July 25, 2014, the Company received a Letter of Authority (LOA) from the BIR Revenue District No. 050 – South Makati under LN No: 050–RLFTRS–12–00–00299 for the reconciliation of Valued Added Tax (VAT) and Percentage tax for the year 2012.

25.8 Tax cases

The Company has no outstanding tax cases in any other court or bodies outside of the BIR as at December 31, 2015 and 2014.

Notes

LIST OF BRANCHES IN INDIA

GURGAON
3rd Flr, PALM Court,
20/4, Sukhrali Chowk,
Gurgaon – 122 001,
Haryana, India.

MUMBAI
412, Janmabhoomi Chambers,
29, Walchand Hirachand Marg,
Ballard Estate, Mumbai – 400 038,
Maharashtra, India.

NAVI MUMBAI
"Global Vision", ES–II, MIDC,
TTC Industrial Area,
Mahape, Navi Mumbai – 400 710,
Maharashtra, India.

PUNE
Plot No. 32/33, Phase 1,
Rajiv Gandhi InfoTech Park,
Hinjewadi, Pune – 411 057,
Maharashtra, India.

www.gtllimited.com

GTL LIMITED

GLOBAL Group Enterprise

www.gtllimited.com
"Global Vision", Electronic Sadan–II, MIDC, TTC Industrial Area,
Mahape, Navi Mumbai – 400 710, Maharashtra, India.
Tel: +91 22 2761 2929 | Fax: +91 22 2768 9990
CIN No. : L40300MH1987PLC045657

print@parksonsgraphics.com