GLOBAL Group Enterprise

Enabling the connected world

GTL

29th ANNUAL REPORT 2016-17

(Subsidiaries Report)

CONTENTS

DIRECTORS' REPORT

To

The Members,

Your Directors submit their Thirteenth Annual Report together with the Audited Financial Statements for the year ended March 31, 2017.

1. STATE OF COMPANY'S AFFAIRS

Financial Highlights:

(Amount in ₹)

Particulars	2016–17	2015–16
Total Income	**NIL**	NIL
Loss Before Exceptional Items and Tax From Continuing Operations	**(221,728)**	(30,22,288)
Exceptional Item	**NIL**	NIL
Loss Before Tax From Continuing Operations	**(221,728)**	(30,22,288)
Tax Expenses		
Current Tax	**NIL**	NIL
Adjustment of Tax Relating To Earlier Periods	**(60,778)**	NIL
Loss For The Year	**(282,506)**	(30,22,288)

Figures regrouped / reclassified wherever necessary to make them comparable.

2. RESULTS OF OPERATIONS AND BUSINESS OVERVIEW

The Company had been rendering telecom engineering services to telecom operators, OEMs and tower companies either directly or through its Holding Company – GTL Limited. Due to continuing 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 and Net Loss of ₹ (2,82,506) against the Net loss of ₹ (30, 22, 288) for the previous year.

3. DIVIDEND

Since your Company has posted losses during the year, your Directors express their inability to recommend any dividend on the paid up Equity Share Capital of the Company for the financial Year ended March 31, 2017.

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, 2017.

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

The Board of Directors in its Meeting held on April 10, 2017 appointed Mr. Milind Bapat (DIN: 07788119) and Mr. Sanjay Advani (DIN: 07788948) as Additional Directors. Both the appointees hold office upto the date of the ensuing Annual General Meeting. The Company proposes appointment of Mr. Milind Bapat and Mr. Sanjay Advani as Non– Executive Directors and the required resolution for their respective appointment has been incorporated in Notice convening ensuing AGM for the consideration of the Members.

Mr. Milind Bengali (DIN: 02106224) and Mr. Laxmikant Desai (DIN: 01565599) have respectively relinquished office of Director with effect from April 11, 2017 due to pre–occupation and personal reasons. The Board places on record their deep appreciation and respect for the valuable advice and guidance received from them during their tenure as Directors 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 in respect of the year ended March 31, 2017, confirm that:

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

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

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

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

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

8. NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met Four (4) times during the financial year 2016–17 on April 19, 2016, August 05, 2016, November 28, 2016 and March 22, 2017. The intervening gap between any two meetings was within the period prescribed under the Act.

9. AUDITOR AND AUDITOR'S REPORT

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

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

The Audit Report does not contain any comments / observations.

10. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year unnder review, 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 No. AOC – 2) to this Report.

12. EXTRACT OF ANNUAL RETURN AS ON MARCH 31, 2017

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

13. AMOUNT TRANSFERRED TO RESERVES

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

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

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

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

a. Conservation of energy:

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

b. Technology Absorption:

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

c. Foreign Exchange Earnings and Outgo:

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

16. GENERAL

Notes forming parts of the Accounts are self – explanatory.

17. ACKNOWLEDGEMENT

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

On behalf of the Board of Directors,

Milind Bapat *Additional Director*

Sanjay Advani *Additional Director*

Navi Mumbai
April 12, 2017

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 Bapat *Additional Director*

Sanjay Advani *Additional Director*

Navi Mumbai

April 12, 2017

ANNEXURE B TO DIRECTORS' REPORT

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

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

I. **REGISTRATION AND OTHER DETAILS**:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

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

V. INDEBTEDNESS

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

(in ₹)

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

B. Remuneration to other directors: NIL

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishments or compounding of offences under the Companies Act, 2013 during FY 2016–17.

INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **ADA CELLWORKS WIRELESS ENGINEERING PRIVATE LIMITED** ("the Company"), which comprises the Balance Sheet as at March, 31, 2017, the Statement of Profit and Loss (including other comprehensive income) the statement of cash flow statement and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

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 of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS 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 standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity 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 section 143(11) 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 purpose of our audit;

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

   c) the Balance Sheet, the Statement of Profit and Loss, the statement of cash flow statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

   d) in our opinion, the aforesaid Standalone Ind As financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder;

   e) on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act

   f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

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

      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 as occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise

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

Venugopal C. Nair
(Proprietor)
Membership No: 039445

Place : Mumbai
Date : 12.04.2017

ANNEXURE – A TO THE AUDITORS REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2017, we report that:

1 The Company does not have any fixed assets.

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

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

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

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

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

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

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

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

Nature of the Statute	Nature of Dues	Amount	Year to which the amount relates	Forum where dispute is pending
Duty of customs, Duty of Excise, Cess and other applicable statutory dues	Service Tax	886,694	2009–2010	1st Appellate Authority
Income Tax, Wealth–Tax, Duty of customs	Income Tax	55,611	2009–2010	1st Appellate Authority
Income Tax, Wealth–Tax, Duty of customs	Income Tax	564,750	2010–2011	1st Appellate Authority
Income Tax, Wealth–Tax, Duty of customs	Income Tax	959,629	2011–2012	1st Appellate Authority
Income Tax, Wealth–Tax, Duty of customs	Income Tax	82,77,190	2012–2013	1st Appellate Authority
Income Tax, Wealth–Tax, Duty of customs	Income Tax	10,77,670	2013–2014	1st Appellate Authority

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

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

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

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

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

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

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

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

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

For **V. NAIR & ASSOCIATES**
CHARTERED ACCOUNTANTS
FRN 106835W

(**VENUGOPAL C. NAIR**)
PROPRIETOR
MEMBERSHIP NO. 39445

PLACE: MUMBAI
DATE : 12.04.2017

ANNEXURE – B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub–section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of ADA Cellworks Wireless Engineering Private Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Venugopal C. Nair
(Proprietor)
Membership No: 039445

Place : Mumbai
Date : 12.04.2017

BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Notes	As at 31 March 2017 ₹	As at 31 March 2016 ₹	As at 1 April 2015 ₹
Assets				
Non–current assets				
Property, plant and equipment	3	NIL	NIL	NIL
Capital work–in–progress	3	NIL	NIL	NIL
Investment properties		NIL	NIL	NIL
Intangible assets		NIL	NIL	NIL
Financial assets				
Investments	4	NIL	NIL	NIL
Loans	5	25,000	25,000	25,000
Other		NIL	NIL	NIL
Deferred tax assets (net)		NIL	NIL	NIL
Other non–current assets		NIL	NIL	NIL
		25,000	**25,000**	**25,000**
Current assets				
Inventories		NIL	NIL	NIL
Financial assets				
Investments		NIL	NIL	NIL
Trade receivables	6	NIL	NIL	2,206,123
Cash and cash equivalents	7	2,897,312	2,897,312	2,897,312
Bank balance other than included in Cash and cash equivalents above		NIL	NIL	NIL
Loans		NIL	NIL	NIL
Other	8	NIL	NIL	NIL
Current Tax Assets (Net)	9	9,939,766	10,000,543	10,000,543
Other current assets	10	401,908	798,160	1,649,070
		13,238,985	**13,696,015**	**16,753,048**
Total Assets		**13,263,985**	**13,721,015**	**16,778,048**
Equity and liabilities				
Equity				
Equity Share Capital	11	900,000	900,000	900,000
Other Equity		12,238,985	12,521,490	15,543,778
Total Equity		**13,138,985**	**13,421,490**	**16,443,778**
Non–current liabilities:				
Financial liabilities				
Borrowings		NIL	NIL	NIL
Provisions		NIL	NIL	NIL
		NIL	NIL	NIL
Current liabilities:				
Financial liabilities				
Trade payables	12	NIL	151,525	84,270
Other financial liabilities	13	125,000	125,000	250,000
Other current liabilities	14	NIL	23,000	NIL
Provisions		NIL	NIL	NIL
		125,000	**299,525**	**334,270**
Total liabilities		**125,000**	**299,525**	**334,270**
Total equity and liabilities		**13,263,985**	**13,721,015**	**16,778,048**

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

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

VENUGOPAL NAIR
Proprietor
Membership No. 39445
Mumbai, April 12,2017

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

Milind Bapat
Director

Sanjay Advani
Director

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

Particulars	Notes	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
Continuing operations			
Revenue from operations		NIL	NIL
Other income		NIL	NIL
TOTAL INCOME		**NIL**	**NIL**
EXPENSES			
Cost of Purchases / Services rendered		NIL	NIL
Changes in inventories of finished goods, stock–in–trade and work–in–progress		NIL	NIL
Employee benefits expenses		NIL	NIL
Finance costs		NIL	NIL
Depreciation and amortisation expenses		NIL	NIL
Other expenses	15	221,728	3,022,288
TOTAL EXPENSES		**221,728**	**3,022,288**
Loss before exceptional items and tax from continuing operations		**(221,728)**	**(3,022,288)**
Exceptional items		NIL	NIL
Loss before tax from continuing operations		**(221,728)**	**(3,022,288)**
Tax expenses			
Current tax		NIL	NIL
Adjustment of tax relating to earlier periods		(60,778)	NIL
Loss For The Year From Continuing Operations		**(282,506)**	**(3,022,288)**
Discontinued operations:			
Loss before tax for the year from discontinued operations		NIL	NIL
Tax expenses of discontinued operations		NIL	NIL
Loss for the year from discontinued operations		NIL	NIL
Loss for the year		(282,506)	(3,022,288)
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		NIL	NIL
(ii) Income tax relating to items that will not be reclassified to profit or loss		NIL	NIL
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods			
B (i) Items that will be reclassified to profit or loss		NIL	NIL
(ii) Income tax relating to items that will be reclassified to profit or loss		NIL	NIL
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		NIL	NIL
Other comprehensive income for the year, net of tax		NIL	NIL
Total Comprehensive Income for the period, net of tax		**(282,506)**	**(3,022,288)**
Earnings per share (in ₹)	16		
Continuing operations			
Basic		(3.14)	(33.58)
Diluted		(3.14)	(33.58)
Discontinued operations			
Basic		NIL	NIL
Diluted		NIL	NIL
Continuing and discontinued operations			
Basic		(3.14)	(33.58)
Diluted		(3.14)	(33.58)

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

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

VENUGOPAL NAIR
Proprietor
Membership No. 39445
Mumbai, April 12,2017

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

Milind Bapat
Director

Sanjay Advani
Director

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

a. Equity Share Capital:

Equity shares of INR 10 each issued, subscribed and fully paid (Refer Note 11.2)	No of shares	₹
At 1 April 2015	90,000	900,000
At 31 March 2016	90,000	900,000
At 31 March 2017	90,000	900,000

b. Other Equity:

Particulars	Equity component of compound financial instrument	Reserves & Surplus						Items of OCI	Total
		Capital Reserve (Refer Note 50)	Capital Redemption Reserve	Securities premium account	Debenture Redemption Reserve*	General reserve	Balance in Statement of Profit and Loss	FVTOCI reserve	
As at 31st March 2016	NIL	NIL	NIL	42,200,000	NIL	NIL	(29,678,510)	NIL	12,521,490
Net loss for the period	NIL	NIL	NIL	NIL	NIL	NIL	(282,506)	NIL	(282,506)
Other comprehensive income	NIL	NIL	NIL	NIL	NIL	NIL		NIL	–
Total comprehensive income	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**(282,506)**	**NIL**	**(282,506)**
Transfer from debenture redemption reserve / general reserve	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
As at 31 March 2017	**NIL**	**NIL**	**NIL**	**42,200,000**	**NIL**	**NIL**	**(29,961,015)**	**NIL**	**12,238,985**
For the year ended 31 March 2016									
As at 1st April 2015	NIL	NIL	NIL	42,200,000	NIL	NIL	(26,656,222)	NIL	15,543,778
Net loss for the period	NIL	NIL	NIL	NIL	NIL	NIL	(3,022,288)	NIL	(3,022,288)
Other comprehensive income	NIL	NIL	NIL	NIL	NIL	NIL		NIL	–
Total comprehensive income	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**(3,022,288)**	**NIL**	**(3,022,288)**
Transfer from debenture redemption reserve / general reserve	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
As at 31 March 2016	**NIL**	**NIL**	**NIL**	**42,200,000**	**NIL**	**NIL**	**(29,678,510)**	**NIL**	**12,521,490**

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

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

VENUGOPAL NAIR
Proprietor
Membership No. 39445
Mumbai, April 12,2017

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

Milind Bapat
Director

Sanjay Advani
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	31 March 2017 ₹	31 March 2016 (Refer note ii) ₹
Operating activities		
Profit before tax	**(221,728)**	(3,022,288)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	**NIL**	NIL
Gain on disposal of property, plant and equipment	**NIL**	NIL
Finance income (including fair value change in financial instruments)	**NIL**	NIL
Finance costs (including fair value change in financial instruments)	**NIL**	NIL
Allowance for credit losses – Trade Receivables	**NIL**	2,206,123
Allowance for credit losses– Other Receivables	**NIL**	NIL
Working capital adjustments:		
(Increase)/decrease in trade receivables	**NIL**	NIL
(Increase)/decrease in inventories	**NIL**	NIL
(Increase)/decrease in other current and non current assets	**396,253**	850,910
(Increase)/decrease in long term and short term loans and advances	**NIL**	NIL
Increase /(decrease) in trade payables, other current and non current liabilities and provisions	**(174,525)**	(34,745)
	–	–
Income tax paid (including TDS) (net)	**NIL**	NIL
Net cash flows from operating activities	**–**	–
Investing activities:		
Net cash flows from / (used in) investing activities	**NIL**	NIL
Financing activities:		
Net cash flows from / (used in) financing activities	**NIL**	NIL
Net increase / (decrease) in cash and cash equivalents	**–**	–
Cash and cash equivalents at the beginning of the year	**2,897,312**	2,897,312
Cash and cash equivalents at the end of the year	**2,897,312**	**2,897,312**

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

(ii) The amounts for the Financial year 2015–16 which do not correspond to those reported in 2016 financial statements are on account of adjustments required by transition to Ind AS. For details of the same, refer to Note 46.

(iii) Figures in brackets indicate outflows.

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

As per our report of even date
For V.NAIR & ASSOCIATES
Chartered Accountants
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VENUGOPAL NAIR
Proprietor
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Mumbai, April 12,2017

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

Milind Bapat
Director

Sanjay Advani
Director

1. CORPORATE INFORMATION

The Company is Private Limited Company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India.The registered office of the Company is located at Global Vision, Electronic Sadan II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai. The Company engaged in providing network services to telecom operators, OEM's and tower companies. The financial statements were authorised for issue in accordance with a resolution passed in the meeting of the Board of directors held on April 12, 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

1. Basis for preparation of Financial Statements:

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

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The Company's first Ind AS compliant financial statements are for the year ended March 31, 2017 with restated comparative figures for the year ended March 31, 2016 and as on April 1, 2015 in compliance with Ind AS.. The date of transition is April 1, 2015.

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

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

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

2. Current versus non–current classification:

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

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

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

All other assets are classified as non–current.

A liability is classified as current when:

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

All other liabilities are classified as non–current.

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

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

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

3. Fair value measurement:

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

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

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

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

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

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

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

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

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

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

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

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

4. Revenue recognition:

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

The specific revenue recognition policies are as under:

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

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

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

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

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

5. Property, plant and equipment :

Tangible Assets are stated at the cost of acquisition less accumulated depreciation and impairment losses, if any. The cost includes purchase price (after deducting trade discounts and rebates), including non–

refundable taxes and duties and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

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

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

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of Profit and Loss when the asset is derecognised.

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

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

6. Inventories:

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

b. Inventory of Consumables is valued at cost

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

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

7. Impairment of Non–Financial Assets

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

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

8. Foreign currencies:

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

Transactions and balances

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

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

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

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

9. Employee Benefits:

Short Term Employee Benefits

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

Post–Employment Benefits

Defined Contribution Plan

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

Defined Benefit Plan

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

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

10. Financial instruments:

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

Financial Assets carried at amortised cost (AC)

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

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

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

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

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

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

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

Equity investments

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

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

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

Derecognition

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

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

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

Impairment of financial assets

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

Financial assets at amortised cost

Financial assets measured at fair value through Profit or Loss Account

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

A. *Subsequent measurement*

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

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

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

Financial guarantee contracts

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

Derecognition

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

Embedded derivatives

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

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

Reclassification of financial assets

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

Offsetting of financial instruments

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

11. Provision for Current and Deferred Tax:

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

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

b. Deferred tax: Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit and thereafter a deferred tax asset or deferred tax liability is recorded for temporary differences, namely the differences that originate in one accounting period and reverse in another. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax asset is recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Carrying value of deferred tax asset is adjusted for its appropriateness at each balance sheet date.

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

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

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

12. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non–occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

13. Borrowing Cost:

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

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

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

14. Leases:

Company as a lessee:

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

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

15. Cash and Cash equivalents :

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

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

16. Earnings per share

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

3. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improve–ment	Furniture & fixtures	Office equipments	Computers	Project Equipment / Tool kit	Total of Property, plant and equipment	Capital Work in Progress
	₹	₹	₹	₹	₹	₹	₹
Deemed Cost (Refer Note No 3.1)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
At 1 April 2015							
Additions	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Disposals	NIL	NIL	NIL	NIL	NIL	NIL	NIL
At 31 March 2016	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Additions	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Disposals	NIL	NIL	NIL	NIL	NIL	NIL	NIL
At 31 March 2017	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Depreciation and impairment							
At 1 April 2015	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Depreciation charge for the year	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Disposals	NIL	NIL	NIL	NIL	NIL	NIL	NIL
At 31 March 2016	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Depreciation charge for the year	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Disposals	NIL	NIL	NIL	NIL	NIL	NIL	NIL
At 31 March 2017	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Net Book Value							
At 31 March 2017	NIL	NIL	NIL	NIL	NIL	NIL	NIL
At 31 March 2016	NIL	NIL	NIL	NIL	NIL	NIL	NIL
At 1 April 2015	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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

3.2 In accordance with the Indian Accounting Standard (Ind AS 36) on "Impairment of Assets" the Management carried out an exercise of identifying assets that may have been impaired and on the basis of this review carried out by the Management, there was no impairment loss on Property, plant and equipment during the year ended March 31, 2017 and March 31, 2016

4. INVESTMENTS (NON CURRENT)

Particulars	31 March 2017		31 March 2016		01 April 2015	
	Numbers	₹	Numbers	₹	Numbers	₹
Investments at cost (fully paid)						
Trade						
Other						
Investments in Corpxcel Advisory LLP (Face Value of Rs. 10/– each)	50000	–	50000	–	50000	–
Total of Un–quoted Investments in Equity Shares – Trade		–		–		–
Total Investments		–		–		–
Aggregate Amount of unquoted investments		–		–		–

5. **LOANS (NON CURRENT)**

	31 March 2017 ₹	31 March 2016 ₹	1 April 2015 ₹
Unsecured, Considered good			
Deposits with body corporates and others	**25,000**	25,000	25,000
Deposits with government authorities	**NIL**	NIL	NIL
Total	**25,000**	**25,000**	**25,000**

6. **TRADE RECEIVABLES**

	31 March 2017 ₹	31 March 2016 ₹	1 April 2015 ₹
Trade receivables Unsecured,			
considered good	**2,206,123**	2,206,123	2,206,123
Doubtful	**73,162,089**	73,162,089	70,955,966
	75,368,212	**75,368,212**	**73,162,089**
Allowance for credit losses	**(73,162,089)**	(73,162,089)	(70,955,966)
	(73,162,089)	(73,162,089)	(70,955,966)
Total	**2,206,123**	**2,206,123**	**2,206,123**

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

7. **CASH AND CASH EQUIVALENTS**

	31 March 2017 ₹	31 March 2016 ₹	1 April 2015 ₹
Balances with banks			
In current accounts	2,897,312	2,897,312	2,897,312
Cash on hand	NIL	NIL	NIL
	2,897,312	**2,897,312**	**2,897,312**

7.1 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is as provided in the Table below:

	SBN's ₹	Other Denomination notes ₹	Total ₹
Closing Balance in hand as on 08.11.2016	NIL	NIL	NIL
(+) Permitted receipts	NIL	NIL	NIL
(–) Permitted payments	NIL	NIL	NIL
(–) Amount deposited in Banks	NIL	NIL	NIL
Closing cash in hand as on 30.12.2016	NIL	NIL	NIL

8. OTHERS (CURRENT)

	31 March 2017	31 March 2016	1 April 2015
	₹	₹	₹
Advance to Suppliers	149,500,000	149,500,000	149,500,000
Total	**149,500,000**	**149,500,000**	**149,500,000**
Allowance for credit losses			
Advance to Suppliers	(149,500,000)	(149,500,000)	(149,500,000)
	(149,500,000)	**(149,500,000)**	**(149,500,000)**
Total	**–**	**–**	**–**

9. CURRENT TAX ASSETS (NET)

	31 March 2017	31 March 2016	1 April 2015
	₹	₹	₹
Advance Income Tax & Tax deducted at source (Net of provision)	**9,939,766**	10,000,543	10,000,543
Total	**9,939,766**	**10,000,543**	**10,000,543**

10. OTHER CURRENT ASSETS

	31 March 2017	31 March 2016	1 April 2015
	₹	₹	₹
Advance to Suppliers	**401,908**	798,160	1,649,070
Less: Allowance for credit losses	**NIL**	NIL	NIL
	401,908	798,160	1,649,070
Total	**401,908**	**798,160**	**1,649,070**

11. SHARE CAPITAL

Authorised Share Capital

	Equity shares	
	Nos	₹
At 1 April 2015	250,000	2,500,000
Increase / (decrease) during the year		
At 31 March 2016	250,000	2,500,000
Increase / (decrease) during the year		
At 31 March 2017	250,000	2,500,000

11.1 Terms / rights attached to equity shares

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

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

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

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 len'ders of GTL LImited, under Corporate Debt Restructuring mechanism.

11.2 Issued equity capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	No.	₹
At 1 April 2015	90,000	900,000
Changes during the year		
At 31 March 2016	90,000	900,000
Changes during the year		
At 31 March 2017	90,000	900,000

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

Name of the shareholder	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
	No. in	% holding in the class	No. in	% holding in the class	No. in	% holding in the class
Equity Shares						
GTL Limited, the Holding Company	90,000	100%	90,000	100%	90,000	100%

12. TRADE PAYABLES

	31 March 2017	31 March 2016	1 April 2015
	₹	₹	₹
Trade payables	**NIL**	151,525	84,270
Trade payables to related parties (refer note 23.1)	**NIL**	NIL	NIL
	NIL	**151,525**	**84,270**

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

12.2 Disclosure in accordance with Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. The information required to be disclosed has been furnished to the extent parties have been identified as Micro, Small and Medium Enterprises on the basis of information available in this regard with the Company.

Particulars	31 March 2017	31 March 2016	1 April 2015
	₹	₹	₹
Principal amount remaining unpaid	NIL	NIL	NIL
Interest due thereon			
The amount of interest paid in terms of section 16, along with the amounts of the payment made beyond the appointed day during accounting year	NIL	NIL	NIL
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	NIL	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of accounting year	NIL	NIL	NIL
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	NIL	NIL	NIL

13. OTHER FINANCIAL LIABILITIES

	31 March 2017	31 March 2016	1 April 2015
	₹	₹	₹
Accrued expenses	**125,000**	125,000	250,000
	125,000	125,000	250,000

14. OTHER CURRENT LIABILITIES

	31 March 2017 ₹	31 March 2016 ₹	1 April 2015 ₹
Withholding and other taxes payable	NIL	23,000	NIL
	NIL	23,000	NIL

15. OTHER EXPENSES

	31 March 2017 ₹	31 March 2016 ₹
Legal and Professional Fees	**96,728**	462,808
Auditor's Remuneration	**125,000**	125,000
Allowance for credit losses – Trade Receivables	**NIL**	2,206,123
Other Expenses	**NIL**	228,357
	221,728	3,022,288

15.1 Payments to the auditor:

	31 March 2017 ₹	31 March 2016 ₹
As auditor		
Audit fee	**125,000**	125,000
Tax audit fee	**NIL**	NIL
VAT Audit Fees	**NIL**	NIL
In other capacity:		
Other services (certification fees)	**NIL**	NIL
Reimbursement of expenses	**NIL**	NIL
	125,000.00	125,000.00

16. EARNINGS PER SHARE (EPS)

	31 March 2017 ₹	31 March 2016 ₹
Loss after tax :		
Continuing operations	**(282,506)**	(3,022,288)
Loss attributable to equity holders of continuing operations for basic earnings	**(282,506)**	(3,022,288)
Loss attributable to equity holders of discontinued operations for basic earnings	**NIL**	NIL
Loss attributable to equity holders total operations for basic earnings	**(282,506)**	(3,022,288)
Weighted average number of Equity shares for basic EPS	**90,000**	90,000
Weighted average earnings per share (basic and diluted) (continuing operations)	**(3.14)**	(33.58)
Weighted average earnings per share (basic and diluted) (discontinued operations)	**NIL**	NIL
Weighted average earnings per share (basic and diluted) (total operations)	**(3.14)**	(33.58)

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

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

17. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Judgements

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

Estimates and assumptions

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

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

Taxes

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

Defined benefit plans (gratuity benefits)

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

Fair value measurement of financial instruments

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

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

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

Provisions for impairment loss on Investment

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

18. FAIR VALUES

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

	Carrying value			Fair value		
	31 Mar 2017	31 Mar 2016	01 Apr 2015	**31 Mar 2017**	31 Mar 2016	01 Apr 2015
	₹	₹	₹	₹	₹	₹
Financial assets						
FVTPL financial investments						
Investment in Equity Shares – Others						
Investments in Corpxcel Advisory LLP	**–**	–	–	**–**	–	–
Financial assets designated at amortised cost						
Non–current assets						
Loans	**25,000**	25,000	25,000	**25,000**	25,000	25,000
Current assets						
Trade receivables	**NIL**	NIL	2,206,123	**NIL**	NIL	2,206,123
Cash and cash equivalents	**2,897,312**	2,897,312	2,897,312	**2,897,312**	2,897,312	2,897,312
Total	**2,922,312**	**2,922,312**	**5,128,435**	**2,922,312**	**2,922,312**	**5,128,435**

	Carrying value			Fair value		
	31 Mar 2017	31 Mar 2016	01 Apr 2015	**31 Mar 2017**	31 Mar 2016	01 Apr 2015
	₹	₹	₹	₹	₹	₹
Financial liabilities designated at amortised cost						
Trade payables	NIL	151,525	84,270	NIL	151,525	84,270
Other Financial Liabilities	125,000	125,000	250,000	125,000	125,000	250,000
Total	**125,000**	**276,525**	**334,270**	**125,000**	**276,525**	**334,270**

19. Financial risk management objectives and policies

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

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

19.1 Market risk

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

19.2 Interest rate risk

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

19.3 Foreign currency risk

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

19.4 Equity price risk

The Company's investments are in unlisted entities. All the investments of the Company are trade and stratagic investments and therfore are not considered to be exposed or suscptible to market risk.

19.5 Credit risk

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

Trade receivables

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

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

Financial Assets

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

19.6 Liquidity risk

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

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

20. Segment Reporting

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

21. Related Party Disclosures

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

22. Going Concern

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. Since the holding company business operation in " Network Services", the company expect to have business opportunity based on past experience of telecom sector. Considering this , the company will be able to realised the asset & discharge the liabilities . Therefore the company prepared financials on "going concern basis" .

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

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

As per our report of even date	**For and on behalf of the Board**	
For V.NAIR & ASSOCIATES	**ADA Cellworks Wireless Engineering Private Limited**	
Chartered Accountants		
Firm Registration No. 106835W		
VENUGOPAL NAIR	Milind Bapat	Sanjay Advani
Proprietor	Director	Director
Membership No. 39445		
Mumbai, April 12,2017		

COMMENTARY OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2016

The directors present the audited financial statements of INTERNATIONAL GLOBAL TELE–SYSTEMS LIMITED (the "Company") for the year ended 31 December 2016.

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

In the last few years, the Company has incurred cash losses, resulting in the erosion of its entire net worth. The Company's liabilities are higher than its assets. The Company has made a proposal for a negotiated settlement of its debts which is under discussion with its lenders. The management is of the view that upon the acceptance and implementation of the Company's negotiated settlement proposal, the Company would be in a position to meet its liabilities and continue its operations. In view of the above, the Company would be in a position to meet its liabilities and continue its operations. In view of the above, the Company continues to prepare the results 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 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended as set out in pages 4 to 7, and a summary of significant accounting policies and other explanatory information as set out on pages 8 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 2016 and of its financial performance and cash flows for the year then ended.

Emphasis of matters

Inherent uncertainty regarding going concern

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

Other Matters

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

Priti Lakhpati
Accxperts Business Solutions Pte Ltd
Chartered Accountants
Date: 6 March, 2017

BALANCE SHEET AS AT 31 DECEMBER 2016

	As at 31 December 2016	As at 31 December 2015	As at 1 January 2015	**As at 31 December 2016**	As at 31 December 2015	As at 1 January 2015
	INR crores	INR crores	INR crores	**USD**	USD	USD
Assets						
Non–current assets						
Property, plant and equipment	**–**	–	–	**–**	–	–
Capital work–in–progress	**–**	–	64.44	**–**	–	10,180,000
Investment properties	**–**	–	–	**–**	–	–
Intangible assets	**–**	–	–	**–**	–	–
Intangible assets under development	**–**	–	–	**–**	–	–
Financial assets						
Investments	**–**	–	126.61	**–**	–	20,000,000
Loans	**–**	–	–	**–**	–	–
Other financial assets	**–**	–	–	**–**	–	–
Deferred tax assets (net)	**–**	–	–	**–**	–	–
Other non–current assets	**111.94**	175.93	634.17	**16,485,215**	26,485,215	100,177,633
	111.94	175.93	825.23	**16,485,215**	26,485,215	130,357,633
Current assets						
Inventories	**–**	–	52.81	**–**	–	8,341,634
Financial assets						
Investments	**–**	–	–	**–**	–	–
Trade receivables	**–**	–	265.88	**–**	–	42,000,080
Cash and cash equivalents	**–**	0.00	0.07	**–**	135	10,464
Bank balance other than included in Cash and cash equivalents above	**–**	–	–	**–**	–	–
Other receivables	**–**	66.43	69.48	**–**	10,000,000	10,975,000
Loans	**–**	–	–	**–**	–	–
Other financial assets	**–**	–	–	**–**	–	–
Current Tax Assets (Net)	**–**	–	–	**–**	–	–
Other current assets	**2.49**	–	–	**366,800**	–	–
	2.49	66.43	388.23	**366,800**	10,000,135	61,327,178
Assets classified as held for sale						
	2.49	66.43	388.23	**366,800**	10,000,135	61,327,178
Total Assets	**114.43**	242.36	1,213.46	**16,852,015**	36,485,350	191,684,811
Equity and liabilities						
Equity						
Equity Share Capital	**487.30**	476.68	454.29	**71,762,615**	71,762,615	71,762,615
Other Equity	**(1,083.00)**	(885.16)	156.53	**(159,487,165)**	(133,257,701)	24,726,671
Total Equity	**(595.69)**	(408.48)	610.82	**(87,724,550)**	(61,495,086)	96,489,286
Non–current liabilities:						
Financial liabilities						
Borrowings	**–**	–	132.74	**–**	–	20,968,775
Trade payables	**–**	–	–	**–**	–	–
Other financial liabilities	**–**	–	–	**–**	–	–
Provisions	**–**	–	–	**–**	–	–
Deferred tax liabilities (net)	**–**	–	–	**–**	–	–
Other non–current liabilities	**–**	–	–	**–**	–	–
	–	–	132.74	**–**	–	20,968,775
Current liabilities:						
Financial liabilities						
Borrowings	**–**	–	–	**–**	–	–
Trade payables	**232.20**	227.14	230.21	**34,194,739**	34,194,739	36,365,413
Other financial liabilities	**477.93**	423.70	239.68	**70,381,826**	63,785,697	37,861,337
Other current liabilities	**–**	–	–	**–**	–	–
Provisions	**–**	–	–	**–**	–	–
Current tax liabilities (net)						
	710.13	650.84	469.89	**104,576,565**	97,980,436	74,226,750
Total liabilities	**710.13**	650.84	602.64	**104,576,565**	97,980,436	95,195,525
Total equity and liabilities	**114.43**	242.36	1,213.46	**16,852,015**	36,485,350	191,684,811

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

	Year ended 31st Dec., 2016 INR crores	Year ended 31st Dec., 2015 Restated* INR crores	**Year ended 31st Dec., 2016 USD**	Year ended 31st Dec., 2015 Restated* USD
Continuing operations				
Revenue from operations	**–**	–	**–**	–
Other income	**2.60**	17.21	**385,440**	2,621,628
TOTAL INCOME	**2.60**	17.21	**385,440**	2,621,628
EXPENSES				
Cost of materials consumed	**–**	–	**–**	–
Purchases of stock–in–trade	**–**	–	**–**	–
Changes in inventories of finished goods, stock–in–trade and work–in–progress	**–**	54.75	**–**	8,341,634
Employee benefits expenses	**–**	–	**–**	–
Finance costs	**44.45**	34.60	**6,593,264**	5,271,485
Depreciation and amortisation expenses	**–**	–	**–**	–
Other expenses	**134.97**	964.76	**20,021,640**	146,992,881
TOTAL EXPENSES	**179.42**	1054.11	**26,614,904**	160,606,000
Profit/(loss) before exceptional items and tax from continuing operations	**(176.82)**	(1036.90)	**(26,229,464)**	(157,984,372)
Exceptional items				
	(176.82)	(1036.90)	**(26,229,464)**	(157,984,372)
Tax expenses				
Profit/(loss) before tax from continuing operations				
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**(176.82)**	(1036.90)	**(26,229,464)**	(157,984,372)
Discontinued operations:				
Profit/(loss) for the year	**(176.82)**	(1036.90)	**(26,229,464)**	(157,984,372)
Other Comprehensive Income				
Total Comprehensive Income for the period, net of tax	**(176.82)**	(1036.90)	**(26,229,464)**	(157,984,372)

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

a. Share Capital:

Shares of USD 1 each issued, subscribed and fully paid	Nos	USD	INR crores
At 1 January 2015	71,762,615	71,762,615	454.29
Issue of share capital (Note 17)	–	–	
At 31 December 2015	71,762,615	71,762,615	476.68
Issue of share capital (Note 17)	–	–	
At 31 December 2016	**71,762,615**	**71,762,615**	**487.30**

b. Other Equity:

For the year ended 31 December 2016

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)	
	INR crores	INR crores	INR crores	INR crores	INR crores	INR crores	INR crores	INR crores	INR crores
As at 31st December 2015	–	–	–	–	–	–	(885.16)	–	(885.16)
Net Profit for the period							(176.82)		(176.82)
Foreign currency translation effects							(21.02)		(21.02)
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**(197.84)**	**–**	**(197.84)**
Transfer to Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–
As at 31 December 2016	**–**	**–**	**–**	**–**	**–**	**–**	**(1083.00)**	**–**	**(1083.00)**

For the year ended 31 December 2015

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)	
	INR crores	INR crores	INR crores	INR crores	INR crores	INR crores	INR crores	INR crores	INR crores
As at 1st January 2015	–	–	–	–	–	–	151.08	–	151.08
Net Profit for the period							(1036.90)		(1036.90)
Foreign currency translation effects							0.66		0.66
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**(1036.24)**	**–**	**(1036.24)**
Transfer to Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–
As at 31 December 2016	**–**	**–**	**–**	**–**	**–**	**–**	**(885.16)**	**–**	**(885.16)**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	31 December 2016 INR crores	31 December 2015 INR crores	**31 December 2016 USD**	31 December 2015 USD
Operating activities				
Profit before tax from continuing operations	**(176.81)**	(1,036.90)	**(26,229,464)**	(157,984,372)
Profit/(loss) before tax from discontinued operations				
Profit before tax	**(176.81)**	(1,036.90)	**(26,229,464)**	(157,984,372)
Adjustments to reconcile profit before tax to net cash flows:				
Impairment losses	**134.82**	1,019.27	**20,000,000**	155,297,323
Liabilities / provisions no longer required written back	**(2.60)**	(17.21)	**(385,440)**	(2,621,628)
Working capital adjustments:				
Increase /(decrease) in trade payables, other current and non current liabilities and provisions	**44.44**	34.60	**6,593,129**	5,271,485
	(0.15)	(0.24)	**(21,775)**	(37,192)
Income tax paid (including TDS) (net)				
Net cash flows from operating activities	**(0.15)**	(0.24)	**(21,775)**	(37,192)
Investing activities				
Proceeds from sale of property, plant and equipment	**–**	–	**–**	–
Purchase of property, plant and equipment (including CWIP)	**–**	–	**–**	–
Interest received (finance income)	**–**	–	**–**	–
Net cash flows from / (used in) investing activities	**–**	–	**–**	–
Financing activities				
Funds received from related companies	**0.15**	0.18	**21,640**	26,863
Dividend distribution tax	**–**	–	**–**	–
Net cash flows from / (used in) financing activities	**0.15**	0.18	**21,640**	26,863
Net increase / (decrease) in cash and cash equivalents	**(0.00)**	(0.07)	**(135)**	(10,329)
Cash and cash equivalents at the beginning of the year	**0.00**	0.07	**135**	10,464
Cash and cash equivalents at the end	**–**	0.00	**–**	135

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AND AS AT 31 DECEMBER 2016

Note 3: Property, plant and equipment

	Freehold land	Leasehold land	Buildings	Capital Work in Progress	Total	Capital Work in Progress	Total
	INR crores	INR crores	INR crores	INR crores	INR crores	USD	USD
Cost							
At 1 January 2015	–	–	–	64.44	64.44	10,180,000	10,180,000
Additions	–	–	–	–	–	–	–
Disposals	–	–	–	(64.44)	(64.44)	(10,180,000)	(10,180,000)
At 31 December 2015	–	–	–	–	–	–	–
Additions	–	–	–	–	–	–	–
Discontinued operations (Note XX)	–	–	–	–	–	–	–
At 31 December 2016	–	–	–	–	–	–	–
Depreciation and impairment							
At 1 January 2015	–	–	–	–	–	–	–
Depreciation charge for the year	–	–	–	–	–	–	–
Disposals	–	–	–	–	–	–	–
At 31 December 2015	–	–	–	–	–	–	–
Depreciation charge for the year**	–	–	–	–	–	–	–
Discontinued operations	–	–	–	–	–	–	–
At 31 December 2016	–	–	–	–	–	–	–
Net Book Value							
At 31 December 2016	–	–	–	–	–	–	–
At 31 December 2015	–	–	–	–	–	–	–
At 1 January 2015	–	–	–	64.44	64.44	10,180,000	–

Net Book Value

	At 31 December 2016	At 31 December 2015	At 1 January 2015	At 31 December 2016	At 31 December 2015	At 1 January 2015
	INR crores	INR crores	INR crores	USD	USD	USD
Plant, property and equipment	–	–	–	–	–	–
Capital Work in Progress	–	–	64.44	–	–	10,180,000

Note 7: Financial assets

	31 December 2016 INR crores	31 December 2015 INR crores	1 January 2015 INR crores	31 December 2016 USD	31 December 2015 USD	1 January 2015 USD
Investments						
Investments at cost (fully paid)						
Investment in Preference Shares – Others						
3.5% Preference Shares of City Windsor Ltd of USD 1 each	**135.81**	132.85	126.61	**20,000,000**	20,000,000	20,000,000
Less: Diminution in value of investments	**(135.81)**	(132.85)	–	**(20,000,000)**	(20,000,000)	–
Total Investments	**–**	–	126.61	**–**	–	20,000,000
Aggregate value of unquoted investments	**–**	–	126.61	**–**	–	20,000,000
Total financial assets	**–**	–	126.61	**–**	–	20,000,000

Note 8: Other non–current assets

	31 December 2016 INR crores	31 December 2015 INR crores	1 January 2015 INR crores	31 December 2016 USD	31 December 2015 USD	1 January 2015 USD
Advance to Suppliers	**680.26**	665.43	634.17	**100,177,633**	100,177,633	100,177,633
Less: Provision for doubtful advances	**(568.31)**	(489.50)	–	**(83,692,418)**	(73,692,418)	–
	111.94	175.93	634.17	**16,485,215**	26,485,215	100,177,633

Note 9: Inventories

	31 December 2016 INR crores	31 December 2015 INR crores	1 January 2015 INR crores	31 December 2016 USD	31 December 2015 USD	1 January 2015 USD
Finished goods (at lower of cost and net realisable value)	**–**	–	52.81	**–**	–	8,341,634
Total inventories at the lower of cost and net realisable value	**–**	–	52.81	**–**	–	8,341,634

Note 11: Trade and other receivables

	31 December 2016 INR crores	31 December 2015 INR crores	1 January 2015 INR crores	31 December 2016 USD	31 December 2015 USD	1 January 2015 USD
Trade receivables	**458.10**	448.11	420.89	**67,461,673**	67,461,673	66,486,673
Total Trade and other receivables	**458.10**	448.11	420.89	**67,461,673**	67,461,673	66,486,673

	31 December 2016 INR crores	31 December 2015 INR crores	1 January 2015 INR crores	31 December 2016 USD	31 December 2015 USD	1 January 2015 USD
Trade receivables						
Secured, considered good	**–**	–	265.88	**–**	–	42,000,080
Doubtful	**458.10**	448.11	155.01	**67,461,673**	67,461,673	24,486,593
	458.10	448.11	420.89	**67,461,673**	67,461,673	66,486,673
Impairment Allowance (allowance for bad and doubtful debts)						
Doubtful	**(458.10)**	(448.11)	(155.01)	**(67,461,673)**	(67,461,673)	(24,486,593)
	(458.10)	(448.11)	(155.01)	**(67,461,673)**	(67,461,673)	(24,486,593)
Total trade receivables	**–**	–	265.88	**–**	–	42,000,080

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

Note 12: Cash and cash equivalents

	31 December 2016 INR crores	31 December 2015 INR crores	1 January 2015 INR crores	**31 December 2016 USD**	31 December 2015 USD	1 January 2015 USD
Balances with banks						
In current accounts	**–**	0.00	0.07		135	10,464
In deposit accounts						
Cheques on hand						
Cash on hand						
	–	0.00	0.07	**–**	135	10,464

Note 14: Other receivables

	31 December 2016 INR crores	31 December 2015 INR crores	1 January 2015 INR crores	**31 December 2016 USD**	31 December 2015 USD	1 January 2015 USD
Interest receivable	**–**	–	6.17			975,000
Share application monies	**67.91**	66.43	63.31	**10,000,000**	10,000,000	10,000,000
Less: allowance for doubtful advances	**(67.91)**	–	–	**(10,000,000)**	–	–
	–	66.43	69.48	**–**	10,000,000	10,975,000

Note 16: Other current assets

	31 December 2016 INR crores	31 December 2015 INR crores	1 January 2015 INR crores	**31 December 2016 USD**	31 December 2015 USD	1 January 2015 USD
Prepaid expenses						
Deposit towards negotiated settlement – lenders	**2.49**	–	–	**366,800**		
	2.49	–	–	**366,800**	–	–

Note 14: Share Capital

Authorised Share Capital

	Equity shares		**Preference shares**	
	Nos.	**INR crores**	**Nos.**	**INR crores**
At 1 January 2015	2,762,615	17	69,000,000	436.80
Increase / (decrease) during the year	–	1	–	21.53
At 31 December 2016	2,762,615	18	69,000,000	458.33
Increase / (decrease) during the year	–	0	–	10.21
At 31 December 2017	2,762,615	19	69,000,000	468.54

Issued equity capital

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

	Nos.	INR crores	Nos.	USD
At 1 January 2015	2,762,615	17.49	2,762,615	2,762,615.00
Changes during the year	–	–	–	–
At 31 December 2016	2,762,615	18.35	2,762,615	2,762,615.00
Changes during the year	–	–	–	–
At 31 December 2017	2,762,615	18.76	2,762,615	2,762,615.00

Note 15: Other equity

Translation Reserve

	INR crores	USD
At 1 January 2015	5.45	–
At 31 December 2015	0.66	–
At 31 December 2016	(20.36)	–

Balance in Statement of Profit and Loss

	INR crores	USD
At 1 January 2015	151.08	24,726,671
Add: Profit during the year	(1,036.90)	(157,984,372)
At 31 December 2016	(885.82)	(133,257,701)
Add: Profit during the year	(176.82)	(26,229,464)
At 31 December 2017	(1,062.64)	(159,487,165)

Total other equity

At 1 January 2015	156.53	24,726,671
At 31 December 2016	(885.16)	(133,257,701)
At 31 December 2017	(1,083.00)	(159,487,165)

Note 19: Borrowings

	31 December 2016 INR crores	31 December 2015 INR crores	1 January 2015 INR crores	**31 December 2016 USD**	31 December 2015 USD	1 January 2015 USD
Non–current borrowings						
Non–current interest bearing loans and borrowings:						
Secured Loans						
Term loans – Bank of Baroda, Dubai	**–**	–	132.74			20,968,775
Total secured loans	**–**	–	132.74	**–**	–	20,968,775
Total non–current interest bearing loans and borrowings	**–**	–	132.74	**–**	–	20,968,775

Note 25: Trade payables

	31 December 2016 INR crores	31 December 2015 INR crores	1 January 2015 INR crores	**31 December 2016 USD**	31 December 2015 USD	1 January 2015 USD
Trade payables	**–**	–	–	**–**	–	–
Trade payables to related parties	**232.20**	227.14	230.21	**34,194,739**	34,194,739	36,365,413
	232.20	227.14	230.21	**34,194,739**	34,194,739	36,365,413

Note 26: Other financial liabilities

	31 December 2016 INR crores	31 December 2015 INR crores	1 January 2015 INR crores	**31 December 2016 USD**	31 December 2015 USD	1 January 2015 USD
Current maturities of long term debt						
Credit facilities from bank – due	**176.15**	172.31	164.21	**25,940,050**	25,940,050	25,940,050
Loan from bank – due	**142.39**	139.29	–	**20,968,775**	20,968,775	–
Interest accrued and due on borrowings	**159.34**	112.07	73.44	**23,465,001**	16,871,872	11,600,387
Expense Creditors	**0.05**	0.03	2.03	**8,000**	5,000	320,900
	477.93	423.70	239.68	**70,381,826**	63,785,697	37,861,337

Note 30: Other income

	31 December 2016 INR crores	31 December 2015 INR crores	**31 December 2016 USD**	31 December 2015 USD
Creditors written back	**2.60**	17.21	**385,440**	2,621,628
	2.60	17.21	**385,440**	2,621,628

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

	31 December 2016 INR crores	31 December 2015 INR crores	**31 December 2016 USD**	31 December 2015 USD
Opening Stock				
Work–in–Process				
Finished Goods	**–**	54.75	**–**	8,341,634
Less: Closing Stock				
Work–in–Process				
Finished Goods	**–**	–	**–**	–
	–	54.75	**–**	8,341,634

Note 35: Finance costs

	31 December 2016 INR crores	31 December 2015 INR crores	**31 December 2016 USD**	31 December 2015 USD
Interest				
– Others	**44.45**	34.60	**6,593,264**	5,271,485
Total finance cost	**44.45**	34.60	**6,593,264**	5,271,485

Note 37: Other expenses

	31 December 2016 INR crores	31 December 2015 INR crores	**31 December 2016 USD**	31 December 2015 USD
Provision for bad and doubtful debts/advances	**67.41**	833.25	**10,000,000**	126,955,690
Provision for diminution in value (share application monies)	**67.41**	–	**10,000,000**	
Provision for diminution in value of investments	**–**	131.27		20,000,000
Bank charges	**–**	0.07		10,428
Legal and professional charges	**0.09**	0.14	**13,640**	21,763
Audit fees	**0.05**	0.03	**8,000**	5,000
	134.97	964.76	**20,021,640**	146,992,881
Payments to the auditor:				
As auditor				
Audit fee	**0.05**	0.03	**8,000**	5,000
	0.05	0.03	**8,000.00**	5,000.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

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

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

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

2. Basis of preparation of financial statements

(i) Statement of compliance

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

(ii) Basis of preparation

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

The Company has made a proposal for a negotiated settlement of its debts which is under discussion with its lenders. The management is of the view that upon the acceptance and the implementation of the Company's negotiated settlement proposal, the Company would be in a position to meet its liabilities and continue its operations. In view of the above, the Company continues to prepare the results on a going concern basis.

(iii) Basis of accounting

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

(iv) Changes in accounting policies

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

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

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

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

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

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

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

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

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

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

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

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

IFRS 14, 'Regulatory Deferral Accounts'

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

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

IFRS9, 'Financial instruments'

IFRS 9, 'Financial instruments", address the classification, measurement and recognition of financial assets and financial liabilities, IFRS 9 was issued in November, 2009, October, 2010, July, 2014. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories namely those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the Company's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard remains most of the IAS 39 requirements. The main change is that, in case where the fair value option is taken for financial liabilities, the part of a fair value change due to a Company's own credit risk is recorded in other comprehensive income rather than in the profit or loss, unless this creates an accounting mismatch. The amendment does not result in any significant effect to the Company's financial statement during the year.

Key requirement of IFRS 9:

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

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

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

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

3. Summary of accounting policies

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

(a) Revenue recognition

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

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

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

Interest income is accounted for on an accrual basis.

(b) Expenses recognition

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

(c) Foreign currency transaction

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

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

(d) Financial instruments

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

(e) Deposits

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

(f) Investment at fair values

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

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

All purchases and sales of investments are recognized on the trade date, which is the date that the Company commits to purchase or sell the assets. Cost of purchase includes transaction costs. From time to time, the directors may adjust the basis of the

valuation of these investments if they consider such adjustments are required to reflect more fairly the value of the investments.

(g) Inventories

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

(h) Trade and other receivables

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

(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. Share application monies

GTL Limited is in the business of 'network services' consisting of network planning and designing, network rollout, professional services and operation and maintenance of telecom towers. The network services are provided to network operators and OEMs. The contracts with customers consist of supply of material, erection of tower and telecom network services.

GTL Limited (GTL) has two international subsidiaries viz. GTL International Limited (GTIL) and International Global Tele–Systems Limited (iGTL). GTL's international business is carried out through GTIL's subsidiaries & iGTL. The Group has presence in North America, Europe, Asia, SAARC and Middle East. Considering large opportunities in telecom, GTIL set up its subsidiaries in USA, Canada, UK, Philippines, Indonesia, Sri Lanka, Bangladesh and Nepal.

The application money of US$ Nil (2015: US$ 10,000,000) shown under advances given was investment made in a company named Global Infrastructure Services Ltd, a company incorporated in the British Virgin Islands. The investment was made for inorganic growth of the Group mainly with an intent to later buy out existing network service companies in the African Continent.

The application money was paid out in the year ended 31 March 2012. However, after this application money was invested the telecom market internationally has gone through a very bad phase. The global meltdown generally and more so in the telecom sector resulted in the company not having enough opportunities for such inorganic growth.

In addition to that admission of the parent company, GTL Limited, into CDR, also drastically affected the relationship of the company with its customers. vendors and other network service operators. Taking these factors into account, the actual business take–off of the company was drastically affected, factors which were beyond the control of the company and the management. During the last four years and more, the management was trying to recover this amount. However, on account of the above factors and the further collapse in the telecom sector in succeeding years, the management has now taken a conscious decision to fully provide for this application money.

7. Advances on project

	2016	2015
	USD	USD
Advances on project	16,485,215	26,485,215

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 written it down further by USD 10,000,000 (2015: USD 73,692,418) during the current year.

8. Advance paid

In the current year, the Company has paid an advance of US$ 366,800 for a proposal of negotiated settlement of its debts which is under discussion with the lenders.

9. Amount due to related companies

	2016	2015
	USD	USD
Amount due to related companies	34,194,740	34,194,740

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

10. Share capital

	2016	2015
	USD	USD
Issued and fully paid:		
2,762,615 ordinary shares of USD 1 each	2,762,615	2,762,615
Cumulative Redeemable Preference shares (69,000,000 of USD 1 each)	69,000,000	69,000,000
	71,762,615	71,762,615

11. Trade and other payables

(a) Non–current liabilities

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

(b) Current liabilities

	2016	2015
	USD	USD
Interest payable to banks	**23,465,001**	16,871,873
Accruals	**8,000**	5,000
	23,473,001	16,876,873

12. 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.

13. 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, 2016	**Within 1 Year**	**After more than1 year**
	USD	**USD**
Credit Facility	**25,940,050**	–
Borrowings	**20,968,775**	–
Interest accrued on borrowings	**23,465,001**	–
Trade and other payables	**8,000**	–
Amount due in related companies	**34,194,740**	–
	104,576,566	–

31 December, 2015	**Within 1 Year**	**After more than1 year**
	USD	**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	–

(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 2016	**Financial liabilities 2016**	Financial assets 2015	Financial liabilities 2015
	USD	**USD**	**USD**	**USD**
United States dollar	**16,852,015**	**104,576,566**	**36,485,350**	**97,980,437**

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, 2016	**Floating**	**Within 1 Year**	**After more than 1 year**
	USD	**USD**	**USD**
Financial assets			
Deposits	**–**	**–**	**–**
Advances	**–**	**366,800**	**–**
Advances on project	**–**	**–**	**16,485,215**
Investment	**–**	**–**	**–**
Share application monies	**–**	**–**	**–**
Trade and other receivables	**–**	**–**	**–**
Cash and cash equivalent	**–**	**–**	**–**
	–	**366,800**	**16,485,215**
Financial liabilities			
Trade and other payables	**–**	**8,000**	**–**
Borrowings	**–**	**20,968,775**	**–**
Bank credit facilities	**–**	**25,940,050**	**–**
Interest accrued on borrowings	**–**	**23,465,001**	**–**
Amount due to related companies	**–**	**34,194,740**	**–**
	–	**104,576,566**	**–**

31 December, 2015	Floating	Within 1Year	After more than1 year
	USD	USD	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	–

14. Inventories

	2016	2015
	USD	USD
Opening Balance	–	8,341,634
Less: Provision for diminution in value	–	(8,341,634)
Closing Balance	–	–

15. Administrative and general expenses

	Year ended December, 2016	Year ended December, 2015
	USD	USD
Audit fee	**8,000**	5,000
Professional fee	**13,640**	21,763
Provisions made against:		
Advances	**10,366,800**	73,800,610
Capital Advance	**–**	10,180,000
Trade and other receivables	**–**	42,975,080
Investments	**–**	20,000,000
Share application money	**10,000,000**	–
Inventories	**–**	8,341,634
Total of provisions made	**20,366,800**	155,297,324
Less: Liabilities written back		
Sundry Creditors	**–**	(325,275)
GTL International Limited	**(385,440)**	(2,296,353)
Total liabilities written back	**(385,440)**	(2,621,628)
Provisions net off amounts written back	**19,981,360**	152,675,695
Total Administrative and general expenses	**20,003,000**	152,702,458

16. Finance costs

	Year ended December, 2016	Year ended December, 2015
	USD	USD
Interest on loan	**6,593,264**	5,271,485
Bank charges	**–**	10,429
	6,593,264	5,281,914

17. Related party transactions

During the year ended 31 December 2016, 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	2015	Movement during the year	2016	Receivable (R) / Payable (P)
GTL International Limited	Loan	NIL	NIL	NIL	P
GTL Limited	Loan	34,194,739	NIL	34,194,739	P

18. 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.

19. 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 2016.

DIRECTORS' REPORT

For the year ended 31 December 2016

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 2016.

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 4,090,072 for the year before accounting for foreign currency translation adjustment gains of USD 1,019,485 under 'Other comprehensive income' and the Company incurred a loss of USD 4,858,652 for the year.

Directors' responsibilities in respect of financial statements

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

– select suitable accounting policies and then apply them consistently;

– make judgments and estimates that are reasonable and prudent;

– state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

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

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

Ultimate Holding company

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

Subsequent events

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

Auditors

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

Approved on behalf of the Directors on 7 March 2017.

Vipulkumar Patel Director	Milind Vasant Bapat Director

INDEPENDENT AUDITORS' REPORT

To the Shareholder of GTL International Limited

Opinion

We have audited the financial statements of GTL International Limited (the Company), Bermuda and its Subsidiaries (collectively, the Group), which comprise the consolidated and the Company statements of financial position as at 31 December 2016 and the statements of profit and loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information contained in notes set out on pages 8 to 26.

In our opinion, the accompanying consolidated and the Company financial statements present fairly, in all material respects the consolidated and the Company financial position of GTL International Limited and its Subsidiaries as of 31 December 2016 and their respective financial performance and their respective cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Emphasis of Matter

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

Key Audit Matters

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

Management's Responsibility for the Financial Statements

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

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

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

Auditors Responsibility

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

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

Dubai, United Arab Emirates
7 March, 2017

BALANCE SHEET AS AT 31 DECEMBER 2016

	As at 31 Dec 2016	As at 31 Dec 2015	As at 1 Jan 2015	As at 31 Dec 2016	As at 31 Dec 2015	As at 1 Jan 2015
	INR Crores	INR Crores	INR Crores	**USD**	USD	USD
Assets						
Non–current assets						
Property, plant and equipment	**6.06**	7.10	15.91	**892,145**	1,068,475	2,512,330
Capital work–in–progress	**–**	–	–	**–**	–	–
Investment properties						
Intangible assets	**217.31**	219.22	242.38	**32,000,000**	33,000,000	38,285,162
Intangible assets under development	**–**	–	–	**–**	–	–
Financial assets						
Investments	**–**	–	–	**–**	–	–
Loans	**–**	–	–	**–**	–	–
Other financial assets	**–**	–	–	**–**	–	–
Deferred tax assets (net)	**2.72**	2.59	19.94	**400,371**	390,591	3,150,175
Other non–current assets	**18.21**	14.33	10.12	**2,681,243**	2,156,444	1,597,969
	244.30	243.24	288.35	**35,973,759**	36,615,510	45,545,636
Current assets						
Inventories	**4.23**	0.94	42.37	**623,551**	142,160	6,691,931
Financial assets						
Investments						
Trade receivables	**175.78**	149.52	239.37	**25,884,054**	22,507,193	37,809,494
Cash and cash equivalents	**39.28**	44.04	75.63	**5,784,682**	6,630,129	11,945,453
Bank balance other than included in Cash and cash equivalents above						
Other receivables						
Loans	**–**	–	–	**–**	–	–
Other financial assets	**–**	–	–	**–**	–	–
Current Tax Assets (Net)						
Other current assets	**0.26**	8.02	28.82	**38,233**	1,207,785	4,551,846
	219.56	202.53	386.18	**32,330,520**	30,487,267	60,998,724
Assets classified as held for sale						
	219.56	202.53	386.18	**32,330,520**	30,487,267	60,998,724
Total Assets	**463.85**	445.76	674.53	**68,304,279**	67,102,777	106,544,360
				68,303,815	67,102,331	106,543,685
Equity and liabilities						
Equity						
Equity Share Capital	**54.33**	53.14	50.65	**8,000,000**	8,000,000	8,000,000
Other Equity	**(151.71)**	(127.11)	39.19	**(22,340,189)**	(19,134,106)	6,189,614
Total Equity	**(97.38)**	(73.96)	89.83	**(14,340,189)**	(11,134,106)	14,189,614
Non–controlling interests	**0.18**	(0.72)	(0.04)	**26,560**	(108,936)	(5,534)
Non–current liabilities:						
Financial liabilities						
Borrowings	**14.08**	114.19	152.42	**2,073,934**	17,188,931	24,075,596
Trade payables						
Other financial liabilities						
Provisions						
Deferred tax liabilities (net)	**–**	–	–	**–**	–	–
Other non–current liabilities						
	14.08	114.19	152.42	**2,073,934**	17,188,931	24,075,596
Current liabilities:						
Financial liabilities						
Borrowings	**197.62**	88.59	67.52	**29,099,588**	13,335,731	10,665,761
Trade payables	**183.30**	149.22	183.35	**26,991,368**	22,462,238	28,959,909
Other financial liabilities	**68.03**	66.54	77.62	**10,017,083**	10,017,083	12,260,000
Other current liabilities	**98.03**	101.92	103.82	**14,435,935**	15,341,836	16,399,014
Provisions						
Current tax liabilities (net)						
	546.97	406.27	432.31	**80,543,974**	61,156,888	68,284,684
Total liabilities	**561.06**	520.45	584.73	**82,617,908**	78,345,819	92,360,280
Total equity and liabilities	**463.85**	445.76	674.53	**68,304,279**	67,102,777	106,544,360

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

	Year ended 31st Dec, 2016	Year ended 31st Dec, 2015 Restated*	**Year ended 31st Dec, 2016**	Year ended 31st Dec, 2015 Restated*
	INR Crores	INR Crores	**USD**	USD
Continuing operations				
Revenue from operations	**401.38**	425.99	**59,542,932**	64,908,438
Other income	**19.20**	18.03	**2,848,156**	2,746,538
TOTAL INCOME	**420.58**	444.02	**62,391,088**	67,654,976
EXPENSES				
Cost of materials consumed	**269.83**	310.60	**40,028,361**	47,326,078
Purchases of stock–in–trade	**–**	–	**–**	–
Changes in inventories of finished goods, stock–in–trade and work–in–progress	**–**	–	**–**	–
Employee benefits expenses	**69.53**	100.40	**10,314,031**	15,298,209
Finance costs	**12.92**	19.06	**1,916,333**	2,904,322
Depreciation and amortisation expenses	**9.12**	37.06	**1,352,238**	5,646,786
Other expenses	**77.23**	117.38	**11,456,040**	17,885,727
TOTAL EXPENSES	**438.63**	584.50	**65,067,003**	89,061,122
Profit/(loss) before exceptional items and tax from continuing operations	**(18.05)**	(140.49)	**(2,675,915)**	(21,406,146)
Exceptional items				
Profit/(loss) before tax from continuing operations	**(18.05)**	(140.49)	**(2,675,915)**	(21,406,146)
Tax expenses				
Current tax / Subsidiary Disposed off + Retained earning of Subsidiary Dispose off	**9.53**	27.77	**1,414,157**	4,231,591
Adjustment of tax relating to earlier periods				
Deferred tax credit/(charge)				
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**(27.58)**	(168.26)	**(4,090,072)**	(25,637,737)
Discontinued operations:				
Profit/(loss) before tax for the year from discontinued operations	**–**	(3.75)	**–**	(570,787)
Tax Income/ (expense) of discontinued operations	**–**	–	**–**	–
Profit/ (loss) for the year from discontinued operations	**–**	(3.75)	**–**	(570,787)
Profit/(loss) for the year	**(27.58)**	(172.00)	**(4,090,072)**	(26,208,524)
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss	**6.87**	5.13	**1,019,485**	781,402
(ii) Income tax relating to items that will not be reclassified to profit or loss	**–**	–	**–**	–
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**6.87**	5.13	**1,019,485**	781,402
B (i) Items that will be reclassified to profit or loss				
(ii) Income tax relating to items that will be reclassified to profit or loss				
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**–**	–	**–**	–
Other comprehensive income for the year, net of tax	**6.87**	5.13	**1,019,485**	781,402
Total Comprehensive Income for the period, net of tax	**(20.71)**	(166.88)	**(3,070,587)**	(25,427,122)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER, 2016

a. Equity Share Capital:

	No.	INR Crores
At 1 January 2015	3,000,000	50.65
Issue of share capital (Note 17)	–	–
At 31 December 2015	3,000,000	53.14
Issue of share capital (Note 17)	–	–
At 31 December 2016	3,000,000	54.33

b. Other Equity:

For the year ended 31 December 2016

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	Translation reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)	
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores
As at 31st December 2015	–	–	–	–	–	0.54	(127.65)	–	(127.11)
Net Profit for the period							(20.71)		(20.71)
Other comprehensive income									–
Total comprehensive income	–	–	–	–	–	–	(20.71)	–	(20.71)
Dividends	–	–	–	–	–	–	–	–	–
Transfer from translation reserve	–	–	–	–	–	6.93	(10.83)	–	(3.90)
Transfer from Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–
Transfer to general reserve	–	–	–	–	–	–	–	–	–
Transfer to Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–
As at 31 December 2016	–	–	–	–	–	7.47	(159.19)	–	(151.72)

For the year ended 31 December 2015

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	Translation reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)	
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores
As at 1st January 2015	–	–	–	–	–	(4.43)	43.62	–	39.19
Net Profit for the period						–	(166.88)	–	(166.88)
Other comprehensive income									–
Total comprehensive income	–	–	–	–	–	–	(166.88)	–	(166.88)
Impact of translation of financials into INDAS									–
Dividends	–	–	–	–	–	–	–	–	–
Transfer from translation reserve	–	–	–	–	–	4.97	–	–	4.97
Transfer from Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–
Transfer to general reserve	–	–	–	–	–	–	–	–	–
Transfer to Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–
As at 31 December 2015	–	–	–	–	–	0.54	(127.65)	–	127.11

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER, 2016

	31 Dec 2016 INR in Crores	31 Dec 2015 INR in Crores	31 Dec 2016 USD	31 Dec 2015 USD
Operating activities				
Profit before tax from continuing operations	(18.04)	(144.24)	(2,675,915)	(21,976,933)
Profit/(loss) before tax from discontinued operations				
Profit before tax	(18.04)	(144.24)	(2,675,915)	(21,976,933)
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and impairment of property, plant and equipment	9.12	37.06	1,352,238	5,646,786
Amortisation and impairment of intangible assets				
Losses / (Gain) on disposal of property, plant and equipment	1.07	(0.04)	158,367	(6,398)
Finance income (including fair value change in financial instruments)	(0.69)	(0.56)	(102,138)	(84,744)
Finance costs (including fair value change in financial instruments)	12.85	15.08	1,906,531	2,298,159
Profit on sale of current investments	–	–		
Slow moving inventories written off	–	1.24		189,108
Provision for deferred tax				
Provision for current tax (net of MAT credit entitlement)				
Liabilities / provisions no longer required written back				
Exceptional Items :				
Provision for Doubtful Receivables – Others (Net)	38.87	84.69	5,766,095	12,904,232
Provision for diminution in investments				
Suppliers Claim – Continuing operations	(15.48)	(16.55)	(2,296,426)	(2,521,048)
Working capital adjustments:				
Increase /(decrease) in provision for bad & doubtful debts/advances				
Increase /(decrease) in provision for gratuity & Compensated absences				
(Increase)/decrease in trade receivables	(66.81)	1.02	(9,910,315)	155,152
(Increase)/decrease in inventories	(3.25)	41.75	(481,391)	6,360,663
(Increase)/decrease in other current and non current assets				
(Increase)/decrease in long term and short term loans and advances				
Increase /(decrease) in trade payables, other current and non current liabilities and provisions	29.51	(37.73)	4,378,018	(5,748,900)
	(30.88)	(162.51)	(1,904,936)	(2,783,923)
Income tax paid (including TDS) (net)	(7.49)	(9.66)	(1,110,815)	(1,472,007)
Finance costs paid	(1.41)	(3.40)	(208,652)	(518,118)
Net cash flows from operating activities	**(38.37)**	**(172.17)**	**(3,224,403)**	**(4,774,048)**
Investing activities				
Proceeds from sale of property, plant and equipment	0.89	0.06	131,464	9,772
Purchase of property, plant and equipment (including CWIP)	(2.58)	(1.83)	(382,976)	(278,997)
Advance paid for investments	(3.37)	–	(500,000)	–
Increase in long term deposits	(0.17)	(3.67)	(24,799)	(558,475)
Purchase of Investment properties				
Intangible asset under development				
Realisation from Sale of investments – Other than Subsidiaries				
Purchase of financial instruments				
Proceeds from sale of financial investments				
Interest received (finance income)	0.69	0.56	102,138	84,744
Net cash flows from / (used in) investing activities	(4.54)	(4.88)	(674,173)	(742,956)
Financing activities				
Proceeds from issue of equity share capital				
Transaction cost on issue of shares				
Interest paid				
Proceeds from/(repayment of) bank borrowings	7.28	(1.20)	1,079,351	(182,493)
Receipts from related parties	6.95	15.01	1,031,010	2,286,883
Proceeds from short term borrowings				
Repayment of short term borrowings				
Fixed deposits with banks held as margin money				
Payment of dividend				
Dividend distribution tax				
Net cash flows from / (used in) financing activities	**14.23**	**13.81**	**2,110,361**	**2,104,390**
Adjustment on account of translation / consolidation	23.73	155.34	931,369	2,139,356
Net increase / (decrease) in cash and cash equivalents	**(28.69)**	**(163.24)**	**(856,846)**	**(1,273,258)**
Cash and cash equivalents at the beginning of the year	38.65	46.54	5,818,131	7,091,389
Cash and cash equivalents at the end	**33.69**	**38.65**	**4,961,285**	**5,818,131**

SCHEDULES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AND AS AT 31 DECEMBER, 2016

3. Property, plant and equipment

	Freehold land	Leasehold land	Buildings	Plant & machinery	Furniture & fixtures	Office equipments	Computers	Networking Assets	Test and Repair Equipments	Vehicles	Capital Work in Progress	Total
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores
Cost												
At 1 Jan 2015	–	–	–	23.98	4.45	2.79	7.34	–	–	0.10	–	38.66
Additions	–	–	–	0.10	1.04	0.16	0.20	–	–	0.34	–	1.85
Disposals net of translation	–	–	–	(14.05)	(2.09)	(1.62)	0.29	–	–	0.00	–	(17.47)
At 31 Dec 2015	–	–	–	10.04	3.40	1.33	7.83	–	–	0.44	–	23.04
Additions	–	–	–	1.14	0.85	0.29	0.16	–	–	0.15	–	2.60
Disposals	–	–	–	(0.55)	(0.42)	(0.07)	(5.43)	–	–	0.00	–	(6.47)
Discontinued operations (Note XX)	–	–	–	–	–	–	–	–	–	–	–	–
At 31 Dec 2016	–	–	–	10.62	3.83	1.55	2.56	–	–	0.60	–	19.17
Depreciation and impairment												
At 1 Jan 2015	–	–	–	16.74	3.29	2.11	0.54	–	–	0.07	–	22.75
Depreciation charge for the year	–	–	–	0.95	0.62	0.17	0.59	–	–	0.07	–	2.40
Disposals	–	–	–	(10.03)	(1.84)	(1.52)	4.16	–	–	0.03	–	(9.21)
At 31 Dec 2015	–	–	–	7.66	2.08	0.76	5.29	–	–	0.16	–	15.95
Depreciation charge for the year**	–	–	–	0.46	0.92	0.18	0.74	–	–	0.09	–	2.39
Disposals	–	–	–	(0.46)	(0.39)	–	(4.37)	–	–	–	–	(5.22)
Discontinued operations	–	–	–	–	–	–	–	–	–	–	–	–
At 31 Dec 2016	–	–	–	7.66	2.61	0.94	1.65	–	–	0.25	–	13.12
Net Book Value												
At 31 Dec 2016	–	–	–	2.96	1.22	0.61	0.92	–	–	0.35	–	6.06
At 31 Dec 2015	–	–	–	2.38	1.32	0.57	2.55	–	–	0.28	–	7.10
At 1 Jan 2015	–	–	–	7.24	1.16	0.68	6.80	–	–	0.03	–	15.91

	Freehold land	Leasehold land	Buildings	Plant & machinery	Furniture & fixtures	Office equipments	Computers	Networking Assets	Test and Repair Equipments	Vehicles	Capital Work in Progress	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Cost												
At 1 Jan 2015	–	–	–	3,787,537	702,832	440,100	1,159,726	–	–	15,890	–	6,106,085
Additions	–	–	–	15,654	157,036	24,638	30,519	–	–	51,150	–	278,997
Disposals net of translation	–	–	–	(2,292,355)	(347,784)	(264,561)	(11,143)	–	–	(252)	–	(2,916,095)
At 31 Dec 2015	–	–	–	1,510,836	512,084	200,177	1,179,102	–	–	66,788	–	3,468,987
Additions	–	–	–	168,034	125,507	42,866	23,834	–	–	22,735	–	382,976
Disposals	–	–	–	(114,350)	(73,135)	(14,446)	(825,239)	–	–	(1,262)	–	(1,028,432)
Discontinued operations (Note XX)												–
At 31 Dec 2016	–	–	–	1,564,520	564,456	228,597	377,697	–	–	88,261	–	2,823,531
Depreciation and impairment												
At 1 Jan 2015	–	–	–	2,644,404	520,358	333,408	84,997	–	–	10,588		3,593,755
Depreciation charge for the year	–	–	–	142,731	93,660	25,983	89,024	–	–	10,226		361,624
Disposals	–	–	–	(1,634,177)	(301,095)	(244,507)	621,610	–	–	3,302		(1,554,867)
At 31 Dec 2015	–	–	–	1,152,958	312,923	114,884	795,631	–	–	24,116	–	2,400,512
Depreciation charge for the year**	–	–	–	68,468	135,476	26,153	108,561	–	–	13,580		352,238
Disposals	–	–	–	(93,157)	(63,517)	(2,719)	(661,540)	–	–	(431)		(821,364)

Discontinued operations												–
At 31 Dec 2016	–	–	–	1,128,269	384,882	138,318	242,652	–	–	37,265	–	1,931,386
Net Book Value												
At 31 Dec 2016	–	–	–	436,251	179,574	90,279	135,045	–	–	50,996	–	892,145
At 31 Dec 2015	–	–	–	357,878	199,161	85,293	383,471	–	–	42,672	–	1,068,475
At 1 Jan 2015	–	–	–	1,143,133	182,474	106,692	1,074,729	–	–	5,302	–	2,512,330

Net Book Value

	At 31 Dec 2016	At 31 Dec 2015	At 1 Jan 2015	At 31 Dec 2016	At 31 Dec 2015	At 1 Jan 2015
	INR in Crores	INR in Crores	INR in Crores	USD	USD	USD
Plant, property and equipment	6.06	7.10	15.91	892,145.00	1,068,475.00	2,512,330.00
Capital Work in Progress	–	–	–	–	–	–

5. Intangible assets

	Networking Software	Other than networking software	Intangible asset under development	Total	Networking Software	Other than networking software	Intangible asset under development	Total
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	USD	USD	USD	USD
Cost								
At 1 Jan 2015	–	242.38	–	242.38	–	38,285,162.00	–	38,285,162.00
Additions								
Disposals net of translation	–	45.91	–	45.91	–	5,113,511.00	–	5,113,511.00
At 31 Dec 2015	–	288.30	–	288.30	–	43,398,673.00	–	43,398,673.00
Additions								
Disposals net of translation	–	6.42	–	6.42	–	–	–	–
At 31 Dec 2016	–	294.72	–	294.72	–	43,398,673.00	–	43,398,673.00
Amortization and impairment								
At 1 Jan 2015	–	32.37	–	32.37	–	5,113,511.00	–	5,113,511.00
Amortisation	–	35.11	–	35.11	–	5,285,162.00	–	5,285,162.00
Disposals net of translation	–	1.60	–	1.60	–	–	–	–
At 31 Dec 2015	–	69.08	–	69.08	–	10,398,673.00	–	10,398,673.00
Amortisation	–	6.79	–	6.79	–	1,000,000.00	–	1,000,000.00
Disposals net of translation	–	1.54	–	1.54			–	
At 31 Dec 2016	–	77.41	–	77.41	–	11,398,673.00	–	11,398,673.00
Net Book Value								
At 31 Dec 2016	–	217.31	–	217.31	–	32,000,000.00	–	32,000,000.00
At 31 Dec 2015	–	219.22	–	219.22	–	33,000,000.00	–	33,000,000.00
At 1 Jan 2015	–	242.38	–	242.38	–	38,285,162.00	–	38,285,162.00

Net Book Value

	At 31 Dec 2016	At 31 Dec 2015	At 1 Jan 2015	At 31 Dec 2016	At 31 Dec 2015	At 1 Jan 2015
	INR in Crores	INR in Crores	INR in Crores	USD	USD	USD
Intangible assets	217.31	219.22	242.38	32,000,000.00	33,000,000.00	38,285,162.00
Intangible assets under development	–	–	–	–	–	–

8. Other non–current assets

	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
	INR in Crores	INR in Crores	INR in Crores	USD	USD	USD
Advances other than capital advances						
Security Deposits	14.81	14.33	9.12	2,181,243.00	2,156,444.00	1,440,668.00
Other advances	3.40	–	1.00	500,000.00	–	157,301.00
	18.21	**14.33**	**10.12**	**2,681,243.00**	**2,156,444.00**	**1,597,969.00**

9. Inventories

	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
	INR in Crores	INR in Crores	INR in Crores	USD	USD	USD
Finished goods (at lower of cost and net realisable value)	4.23	0.94	42.37	623,551.00	142,160.00	6,691,931
Total inventories at the lower of cost and net realisable value	**4.23**	**0.94**	**42.37**	**623,551.00**	**142,160.00**	**6,691,931.00**

11. Trade and other receivables

	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
	INR in Crores	INR in Crores	INR in Crores	USD	USD	USD
Trade receivables						
Secured, considered good						
Unsecured, considered good	99.11	92.09	146.22	14,594,591.00	13,862,732.00	23,095,995.00
Doubtful						
	99.11	92.09	146.22	14,594,591.00	13,862,732.00	23,095,995.00
Other receivables						
Secured, considered good						
Unsecured, considered good	76.67	57.43	93.15	11,289,463.00	8,644,461.00	14,713,499.00
Doubtful						
	76.67	57.43	93.15	11,289,463.00	8,644,461.00	14,713,499.00
Total trade receivables	**175.78**	**149.52**	**239.37**	**25,884,054.00**	**22,507,193.00**	**37,809,494.00**

12. Cash and cash equivalents

	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
	INR in Crores	INR in Crores	INR in Crores	USD	USD	USD
Balances with banks						
In current accounts	39.21	43.81	75.33	5,773,403.00	6,594,605.00	11,898,387.00
Cash on hand	0.08	0.24	0.30	11,279.00	35,524.00	47,066.00
	39.28	**44.04**	**75.63**	**5,784,682.00**	**6,630,129.00**	**11,945,453.00**

Issued equity capital

	No.	INR in Crores	USD
At 1 Jan 2015	3,000,000	50.65	3,000,000
Changes during the year	–	–	–
At 31 Dec 2015	3,000,000	53.14	3,000,000
Changes during the year	–	–	–
At 31 Dec 2016	3,000,000	54.33	3,000,000

15. Other equity

General reserve

	INR in Crores	USD
At 1 Jan 2014	(4.43)	(700,437)
At 31 Dec 2015	0.54	80,965
At 31 Dec 2016	7.47	1,100,450

Balance in Statement of Profit and Loss

	INR in Crores	USD
At 1 Jan 2014	43.62	6,890,051
Add: Profit during the year	(166.88)	(25,427,122)
Translation reserve	–	(678,000)
At 31 Dec 2015	(127.65)	(19,215,071)
Add: Profit during the year	(20.71)	(3,070,587)
Translation reserve	–	(1,154,981)
At 31 Dec 2016	(159.19)	(23,440,639)

Total other equity

	INR in Crores	USD
At 1 April 2015	39.19	6,189,614
At 31 March 2016	(127.11)	(19,134,106)
At 31 March 2017	(151.71)	(22,340,189)

16. Other current assets

	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
	INR in Crores	INR in Crores	INR in Crores	USD	USD	USD
Others	0.26	8.02	28.82	38,233.00	1,207,785.00	4,551,846.00
	0.26	**8.02**	**28.82**	**38,233.00**	**1,207,785.00**	**4,551,846.00**

19. Borrowings

	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
	INR in Crores	INR in Crores	INR in Crores	USD	USD	USD
Non–current borrowings						
Unsecured loans						
– Cash Credit / Overdraft	14.08	114.19	152.42	2,073,934.00	17,188,931.00	24,075,596.00
Total unsecured loans	14.08	114.19	152.42	2,073,934.00	17,188,931.00	24,075,596.00
Loans repayable on demand from Banks						
– Cash Credit	197.62	88.59	67.52	29,099,588.00	13,335,731.00	10,665,761.00
	197.62	88.59	67.52	29,099,588.00	13,335,731.00	10,665,761.00

21. Other financial liabilities

Break up of financial liabilities carried at amortised cost

	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
	INR in Crores	INR in Crores	INR in Crores	USD	USD	USD
Borrowings (current maturities)	197.62	88.59	67.52	29,099,588.00	13,335,731.00	10,665,761.00
Total financial liabilities carried at amortised cost	**197.62**	**88.59**	**67.52**	**29,099,588.00**	**13,335,731.00**	**10,665,761.00**
Deferred tax:						
Deferred tax assets	2.72	2.59	19.94	400,371.00	390,591.00	3,150,175.00
Deferred tax liabilities, net	2.72	2.59	19.94	400,371.00	390,591.00	3,150,175.00

25. Trade payables

	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
	INR in Crores	INR in Crores	INR in Crores	USD	USD	USD
Trade payables	183.30	149.22	183.35	26,991,368.00	22,462,238.00	28,959,909.00
	183.30	**149.22**	**183.35**	**26,991,368.00**	**22,462,238.00**	**28,959,909.00**

26. Other financial liabilities

	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
	INR in Crores	INR in Crores	INR in Crores	USD	USD	USD
Convertible Debentures	68.03	66.54	77.62	10,017,083.00	10,017,083.00	12,260,000.00
	68.03	**66.54**	**77.62**	**10,017,083.00**	**10,017,083.00**	**12,260,000.00**

27. Other current liabilities

	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
	INR in Crores	INR in Crores	INR in Crores	USD	USD	USD
Due to related Parties	98.03	101.92	103.82	14,435,935.00	15,341,836.00	16,399,014.00
	98.03	**101.92**	**103.82**	**14,435,935.00**	**15,341,836.00**	**16,399,014.00**

28. Discontinued operations

The results of GTL USA Inc. for the year are presented below:

	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	INR in Crores	INR in Crores	USD	USD
Revenue	–	38.80	–	5,912,613
Expenses	–	(42.55)	–	(6,483,400)
Finance costs	–	–	–	–
Impairment loss recognised on the re–measurement to fair value less costs to sell	–	–	–	–
Profit/(loss) before tax from a discontinued operation	–	(3.75)	–	(570,787)
Tax (expenses)/income:				
Related to current pre–tax profit/(loss)	–	–	–	–
Related to measurement to fair value less costs of disposal (deferred tax)	–	–	–	–
Profit/(loss) for the year from a discontinued operation	**–**	**(3.75)**	**–**	**(570,787)**

29. Revenue from operations

	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	INR in Crores	INR in Crores	USD	USD
Sale of products (including excise duty)				
Telecom products	401.38	425.99	59,542,932	64,908,438
Others	–	–	–	–
	401.38	**425.99**	**59,542,932**	**64,908,438**

30. Other income

	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	INR in Crores	INR in Crores	USD	USD
Interest income	0.69	0.56	102,138	84,744
Gain on foreign currency transactions (Net)	–	0.04	–	5,807
Profit on sale of current investments	–	0.04	–	6,398
Other non–operating income	18.51	17.39	2,746,018	2,649,589
	19.20	**18.03**	**2,848,156**	**2,746,538**

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

31. Cost of materials consumed

	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	INR in Crores	INR in Crores	USD	USD
Raw Material Consumed				
Inventory at the beginning of the year	0.96	43.92	142,160	6,691,931
Add: Purchases	273.08	267.61	40,509,752	40,776,307
	274.03	311.53	40,651,912	47,468,238
Less: inventory at the end of the year	4.20	0.93	623,551	142,160
Cost of raw material and components consumed	269.83	310.60	40,028,361	47,326,078

34. Employee benefits expenses

	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	INR in Crores	INR in Crores	USD	USD
Salaries, wages and bonus	69.17	99.64	10,260,458	15,182,171
Staff welfare expense	0.36	0.76	53,573	116,038
	69.53	**100.40**	**10,314,031**	**15,298,209**

35. Finance costs

	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	INR in Crores	INR in Crores	USD	USD
Interest				
– Others	12.73	14.77	1,888,587	2,250,259
Exchange difference to the extent considered as an adjustment to borrowing cost	0.19	4.29	27,746	654,063
Total finance cost	**12.92**	**19.06**	**1,916,333**	**2,904,322**

36. Depreciation and amortization expense

	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	INR in Crores	INR in Crores	USD	USD
Amortization of intangible assets (note 3)	6.74	34.69	1,000,000	5,285,162
Depreciation of tangible assets (note 5)	2.37	2.37	352,238	361,624
	9.12	**37.06**	**1,352,238**	**5,646,786**

37. Other expenses

	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	INR in Crores	INR in Crores	USD	USD
Repairs and maintenance				
– Plant and machinery	0.66	0.09	98,417	13,871
– Others	–	–	–	–
Rates and taxes	2.44	3.15	362,087	479,319
Electricity	0.27	0.29	40,497	44,148
Communication expenses	0.66	0.63	98,158	96,507
Travelling and conveyance	1.75	6.88	259,961	1,048,235
Bad debts / advances written off	30.96	29.39	4,592,206	4,478,791
Provision for bad and doubtful debts/advances	7.91	55.30	1,173,889	8,425,441
Bank charges	0.12	0.31	17,944	47,900
Legal and professional charges	14.55	9.03	2,157,889	1,375,491
Loss/(Gain) on sale of fixed assets/asset disposed off (net)	1.07	–	158,367	–
Miscellaneous expenses	16.83	12.31	2,496,625	1,876,024
	77.23	**117.38**	**11,456,040**	**17,885,727**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2016

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	
			2016	2015
			USD	USD
GTL Network Services Malaysia Sdn. Bhd.	Malaysia	100	19,325,637	19,325,637
GTL (Singapore) Pte. Ltd.	Singapore	100	26,544,034	26,544,034
GTL Saudi Arabia Company Limited	KSA	90	968,400	968,400
GTL Overseas (Middle East) DMCC	UAE	100	13,750	13,750
GTL International Nigeria Limited *	Nigeria	100	–	64,260
GTL Europe Limited	UK	100	9,542,280	9,542,280
GTL International Sri Lanka Limited *	Sri Lanka	100	145,000	145,000
GTL International Kenya	Kenya	100	25,000	25,000
GTL Tanzania Limited	Tanzania	100	25,000	25,000
(Refer Note 15)			56,589,101	56,653,361

GTL International Nigeria Limited has been liquidated and GTL International Sri Lanka Limited is under liquidation.

In the previous 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.
IGTL Network Services Philippines Inc.	Philippines	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%)

During the year, GTL China Limited and GTL Taiwan Co. Ltd., the step–subsidiaries of the GTL Network Services Malaysia Sdn. Bhd., Malaysia were closed down.

2 Basis of preparation

a) Statement of compliance

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

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

– IFRs in Regulatory Deferred Accounts.
– Accounting for Acquisition of Interests in Joint Operations – Amendments to IFRS 11.
– Classification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 & 38.
– Equity method in separate financial statements – Amendments to IAS 27.
– Agriculture: Bearer Plants – Amendments to IAS 16 and IAS 41.
– Annual Improvements to IFRSs 2012–2014 cycle.
– Disclosure Initiative – Amendment to IAS 1.
– Investment entities: Applying the consolidation exception – Amendments to IFRS 10, IFRS 12 and IAS 28.

b) Basis of consolidation

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

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

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

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

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

c) Presentation currency

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

The figures of the subsidiaries and step–subsidiaries have been converted into USD (US Dollar) at the average rate for the balances in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position. The differences arising are accounted through the 'Other comprehensive income' in the 'Foreign currency translation reserve' in the consolidated statement of changes in equity. As at the end of the reporting period the average rate for balances conversion to 1 USD as follows:

	2016	2015
	USD	USD
Bangladeshi Taka	**76.951**	76.758
Myanmar Kyat	**1,339.580**	1,292.250
Great Britain Pound Sterling (GBP)	**0.814**	0.657
Indonesian Rupiah	**13,440.900**	13,793.100
Kenyan Shilling	**100.589**	100.518
Malaysian Ringit	**4.482**	4.294
Nepalese Rupee	**106.586**	104.754
Philippine Peso	**49.478**	46.846
Saudi Riyal	**3.750**	3.750
Tanzanian Shilling	**2,121.750**	2,115.920
UAE Dirham	**3.650**	3.650

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

d) **Going concern basis of accounting**

In the last few years, the Company has been incurring cash losses, which have resulted in erosion of its entire share capital and the Group's and the Company's current liabilities exceeded current assets by USD 39,505,863 and USD 41,865,704 respectively. However, the operations of the Company are expected to be profitable in the foreseeable future. The Parent company has confirmed its intention to continue with the operations of the Group companies and it has undertaken to provide its continuing financial support to the Company to enable it to meet its payment obligations as and when they fall due for payment. The Company has made a proposal for settlement of its borrowings from the lenders and is under discussion. The management is of the view that upon the acceptance and implementation of the Company's negotiated settlement proposal, it would be in a position to meets its liabilities and continue its operations. In view of the above, the Company continues to prepare the financial statements on a going concern basis.

e) **Accrual basis of accounting**

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

f) **Use of significant estimates, assumptions and judgements**

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

Impairment of assets

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

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

g) **New and amended standards**

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

– IFRS 15 – Revenue from contracts with customers and associated amendments to various other standards. This establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 – revenue, IAS 11 – Construction Contracts and IFIRC 13 – Customer Loyalty Programmes – Effective 1 January 2018.

– IFRS 16 – Leases – Effective date 1 January 2019.

– Recognition of Deferred Tax Assets for Unrealized losses – Amendments to IAS 12 – Effective 1 January 2017.

– Disclosure Initiative – Amendments to IAS 1 – Effective 1 January 2017.

– IFRS 9 Financial Instruments and associated amendments to various other standards – This standard published in July 2014 replaces the existing guidance in IAS 39 – Financial Instruments, Recognition and Measurements. This includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39 – Effective 1 January 2018.

3 **Summary of significant accounting policies**

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

a) **Revenue and direct costs recognition**

– Revenue

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

– Dividend income

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

– Cost of revenue

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

b) **Borrowing costs**

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

c) **Discontinued operations**

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

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

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

– is a subsidiary acquired exclusively with a view to 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 the statement of profit or loss.

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

Depreciation

The cost of 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) Borrowings

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

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

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

l) Current and deferred income tax

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

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

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

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

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

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

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

m) Convertible debentures

Convertible debentures are stated at the net amount received.

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 25).

p) Statement of cash flows

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

q) Non–derivative financial assets and liabilities

Receivables

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

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

Non–derivative financial liabilities

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

Derecognition of financial assets and liabilities

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

Offsetting of financial assets and liabilities

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

4 Risk management

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

a) Credit risk

This is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's customers, related parties and banks. The credit risk, where relevant is explained in the notes on the related account balances, namely trade receivables {Note 20 (d)}, dues from related parties (Note 29) and bank balances {Notes 18 & 21 (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 20 (e)}.

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 14,313,629 for the Group and USD 13,986,981 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.

6 Revenue

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Progressive billings	**58,392,899**	–	**891,154**	863,476
Add: Closing work–in–progress (Note 20)	**1,150,033**	–	**–**	–
	59,542,932	**–**	**891,154**	**863,476**

7 Cost of revenue

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Opening inventories	142,160	6,691,931	–	–
Add: Purchases during the year	4,473,451	2,543,564	–	–
Less: Closing inventories (Note 19)	(623,551)	(142,160)	–	–
Less: Slow–moving inventories written off	–	189,108	–	–
Cost of inventories consumed	3,992,060	9,282,443	–	–
Turnkey project costs	13,043,884	11,383,318	–	–
Subcontracting charges	19,955,361	20,704,445	–	–
Vehicle hiring charges	1,805,548	5,112,893	–	–
Delivery staff salaries	7,541,722	11,675,241	–	–
Others	1,231,508	842,979	–	–
	47,570,083	59,001,319	–	–

8 Other income

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Dividend income	**–**	–	**2,110,276**	2,557,158
Credit balances written back	**2,296,426**	2,521,048	**–**	88,286
Gains on disposal of property, plant and equipment (Note 14)	**–**	6,398	**–**	–
Foreign exchange gains (net)	**–**	5,807	**–**	–
Miscellaneous income	**449,592**	128,541	**–**	–
	2,746,018	2,661,794	**2,110,276**	2,645,444

9. Selling expenses

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
S & M staff salaries	**1,639,761**	2,464,757	**–**	–
S & M staff expenses	**4,206**	81,119	**–**	–
Business promotion expenses	**468,022**	744,111	**1,343,537**	683,132
Travelling and vehicle charges	**91,607**	150,543	**–**	–
Others	**1,267,592**	535,067	**9,028**	–
	3,471,188	3,975,597	**1,352,565**	683,132

10. Administrative expenses

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Support staff salaries	**1,078,975**	1,042,173	**–**	–
Support staff expenses	**49,367**	34,919	**–**	–
Rent, rates and taxes	**362,087**	479,319	**4,200**	–
Utilities	**40,497**	44,148	**–**	–
Legal and professional charges	**2,157,889**	1,375,491	**1,919,251**	1,178,983
Travelling and vehicle charges	**168,354**	897,692	**77,684**	–
Communication expenses	**98,158**	96,507	**–**	–
Repairs and maintenance charges	**98,417**	13,871	**–**	–
Others	**761,011**	596,846	**–**	7,204
	4,814,755	4,580,966	**2,001,135**	1,186,187

11. Other expenses

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Bad debts written off	**4,592,206**	4,478,791	**385,440**	5,129,313
Provision for doubtful debts:				
– Trade receivables {Note 20 (e) (ii)}	**406,530**	431,941	**–**	–
– Advances to suppliers {Note 20 (e) (ii)}	**–**	7,993,500	**–**	7,993,500
– Dues from related parties (Note 29)	**767,359**	–	**2,286,321**	–
Losses on disposal of property, plant and equipment (Note 14)	**158,367**	–	**–**	–
Loss on sale of an investment (Note 16)	**–**	–	**–**	4,399,900
Investment in a closed subsidiary written off (Note 16)	**–**	–	**–**	9,147,896
Foreign exchange losses (net)	**27,746**	654,063	**134,324**	54,900
	5,952,208	13,558,295	**2,806,085**	26,725,509

12. Finance costs (net)

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Interest charges on bank borrowings	**1,888,587**	2,250,259	**1,697,879**	1,963,412
Bank charges	**17,944**	47,900	**2,418**	2,925
	1,906,531	2,298,159	**1,700,297**	1,966,337

13. Loss on discontinued operations

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Revenue	–	5,912,613	–	–
Expenses	–	(3,020,463)	–	–
Gross profit	–	2,892,150	–	–
Other items (net)	–	(3,462,937)	–	–
Loss for the year	–	(570,787)	–	–

14. Property, plant and equipment

The movements schedule is set out at Page 26.

15. Intangible asset

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Goodwill				
– Cost	40,421,650	40,421,650	–	–
– Accumulated amortisation	(8,421,650)	(7,421,650)	–	–
	32,000,000	33,000,000	–	–
Reconciliation of net book values				
Opening balance	33,000,000	38,285,162	–	–
Written–off during the year				
– Cost	–	(5,113,511)	–	–
– Accumulated amortisation	–	5,113,511	–	–
Amortisation for the year (Page 4)	(1,000,000)	(5,285,162)	–	–
Closing balances	32,000,000	33,000,000	–	–

In the previous year, the management had reviewed the operational performance of the subsidiaries and wrote off fully–amortised goodwill with a cost of USD 5,113,511 in respect of the non–operating subsidiaries.

16. Investments in subsidiaries

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Investments in subsidiaries {Note 1 (d)}	**–**	–	**56,589,101**	56,653,361
Impairment loss on investments	**–**	–	**(20,502,787)**	(20,567,047)
	–	–	**36,086,314**	36,086,314
Movements in investments				
Opening balance	**–**	–	**36,086,314**	50,234,210
Less: Investment written off in respect of a subsidiary liquidated (Note 11)	**–**	–	**–**	(9,147,896)
Less: Sale of investment in a subsidiary	**–**	–	**–**	(5,000,000)
Closing balance	**–**	–	**36,086,314**	36,086,314

During the year, an investment of USD 64,260, in GTL International Nigeria Limited, Nigeria, a wholly owned subsidiary was written off. This was fully impaired in the year 2014.

Cost of investment sold	**–**	–	**64,260**	5,000,000
Less: Provision for impairment loss	**–**	–	**(64,260)**	–
Less: Proceeds from sale of investment	**–**	–	**–**	(600,100)
Loss on sale of an investment (Note 11)	**–**	–	**–**	4,399,900

17. Advance for investment

During the year, the Company has entered into a contract for investment in Harrington Master Trust Fund Ltd – Infrastructure Fund of USD 997,500 net of bank charges of USD 2,500 (997.5 shares of USD 1,000 each) against which the Company has transferred partial investment amount of USD 500,000 and balance amount has been paid subsequent to the end of the reporting period (refer Note 31 for Capital commitment).

18. Long–term deposits

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Fixed deposit with a bank	2,173,594	2,149,557	–	–
Visa deposits	7,649	6,887	–	–
	2,181,243	2,156,444	–	–

This is kept with reputed bank and is under lien as security for bank borrowings (Note 24).

19. Inventories

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Goods held for consumption	623,551	142,160	–	–

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

20 Receivables and prepayments

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Trade receivables (net) – (a)	14,594,591	13,862,732	55,556	–
Work–in–progress (Note 6)	1,150,033	–	–	–
Advances to suppliers (b)	259,233	554,525	245,000	266,760
Other advances	241,327	–	42,961	264,451
Due from an ex–subsidiary	2,000,000	2,000,000	2,000,000	2,000,000
Indemnity deposit (c)	2,500,000	–	2,500,000	–
Receivable from sale of an investment in a subsidiary	600,000	600,000	600,000	600,000
Dividend receivable	1,977,954	–	1,227,958	913,200
Deposits	439,945	466,197	–	–
Prepayments	2,120,971	5,023,739	–	–
	25,884,054	22,507,193	6,671,475	4,044,411

a) Trade receivables are net of provision for doubtful debts of USD 8,386,530 (previous year: USD 8,955,965) for the Group and USD 7,980,000 (previous year: USD 7,980,000) for the Company {(e) (ii)}.

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

c) Indemnity deposit has been kept with a buyer of a subsidiary towards probable creditors' claims of the subsidiary disposed in the previous year {refer Note 1 (d)}.

d) 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.

e) Currency risk

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

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Saudi Riyal	128,374	1,781,383	–	–
Nepalese Rupee	3,674,741	2,874,709	–	–
Great Britain Pound Sterling (GBP)	7,147,449	3,841,882	–	–
UAE Dirhams	–	1,813,625	–	–
Philippine Peso	60,360	63,751	–	–
Tanzanian Shilling	–	922	–	–
Singapore Dollar	275,779	123,041	–	–
Myanmar Kyat	3,252,332	3,355,662	–	–
Indonesian Rupiah	–	7,757	–	–
	14,539,035	13,862,732	–	–

e) Impairment

		The Group		The Company	
		2016	2015	2016	2015
		USD	USD	USD	USD
i)	The age analysis of total trade receivables receivables (gross) was as follows:				
	Less than one year	14,438,716	12,035,806	55,556	–
	Over one year	8,542,405	10,782,891	7,980,000	7,980,000
	Total	**22,981,121**	**22,818,697**	**8,035,556**	**7,980,000**
ii)	The movements in provision for doubtful debts and advances during the year was as follows:				
	Opening balance	20,449,465	12,024,024	19,473,500	11,480,000
	Provision for the year (Note 11):				
	– Against trade receivables	406,530	431,941	–	–
	– Against advances to suppliers	–	7,993,500	–	7,993,500
	Utilised for balances written off	(975,965)	–	–	–
	Closing balance	19,880,030	20,449,465	19,473,500	19,473,500
	The closing balance comprises as follows:				
	Provision against trade receivables	8,386,530	8,955,965	7,980,000	7,980,000
	Provision against advances to suppliers	11,493,500	11,493,500	11,493,500	11,493,500
		19,880,030	20,449,465	19,473,500	19,473,500

21. Cash and cash equivalents

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Cash in hand	11,279	35,524	–	–
Cash at bank and cash in hand	5,773,403	6,594,605	804,130	290,608
	5,784,682	**6,630,129**	**804,130**	**290,608**

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:

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Cash and cash equivalents as above	5,784,682	6,630,129	804,130	290,608
Less: Bank overdraft	(823,497)	(812,098)	–	–
	4,961,185	5,818,031	804,130	290,608

22. Capital and reserve

a) Share capital

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
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.

23 Non–controlling interest

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Opening balance – (Debit)	(108,936)	(5,534)	–	–
Share of losses for the year	135,496	(103,402)	–	–
Closing balance – Credit/(debit)	**26,560**	**(108,936)**	**–**	**–**

24 Borrowings

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Non–current				
Bank term loans	1,722,109	16,395,216	–	16,395,216
Current				
Bank overdrafts	823,497	812,098	–	–
Bank term loans	28,276,091	12,523,633	28,276,091	11,880,875
	29,099,588	13,335,731	28,276,091	11,880,875

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; debt service reserve account comprising 6 millions of principal and interest servicing of FCTL facility and lien over fixed deposit with the bank (Note 18).

25 Employee benefits provisions

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Opening balance	793,715	785,951	–	–
Add: Provision for the year	462,513	359,910	–	–
Less: Payment made during the year	(904,403)	(352,146)	–	–
Closing balance	351,825	793,715	–	–

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

26 Convertible debentures

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

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
23 June 2014	1,257,083	1,257,083	1,257,083	1,257,083
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	**10,017,083**	**10,017,083**	**10,017,083**

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

27 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		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Income tax expense (net)				
Income tax expense	1,418,584	1,472,007	–	–
Deferred tax	(4,427)	(75,127)	–	–
Deferred tax of a subsidiary sold	–	2,834,711	–	–
	1,414,157	4,231,591	–	–
Deferred tax asset				
Opening balance	390,591	3,150,175	–	–
Movements during the year	4,427	(2,759,584)	–	–
Foreign currency translation reserve {Note 2 (b)}	5,353	–	–	–
Closing balance	400,371	390,591	–	–

28 Trade and other payables

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Trade payables	5,958,066	5,542,461	–	–
Advances from customers	322,152	152,300	–	–
Accrued interest expense	8,119,495	6,421,616	8,119,495	6,421,616
Accrued and deferred income	4,657,962	3,287,544	–	–
Tax payable	1,400,705	1,092,936	–	–
Sundry creditors & accruals	6,532,988	5,965,381	1,242,524	242,525
	26,991,368	22,462,238	9,362,019	6,664,141

29 Related parties

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

Companies under common ownership and management control

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Disclosed as dues from related parties:				
– Parent company	–	1,150,794	–	767,359
– Other related parties	38,233	56,991	4,076,322	7,720,588
	38,233	1,207,785	4,076,322	8,487,947

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

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Disclosed as dues to related parties:				
– Parent company	14,404,788	15,310,690	11,305,593	11,306,302
– Other related parties	31,147	31,146	3,164,436	1,773,992
	14,435,935	15,341,836	14,470,029	13,080,294

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

Companies under common ownership and management control

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Dividend income	–	–	2,110,276	2,557,158
Marketing fees	–	–	546,488	963,876
Bad debts written off and				
provision for doubtful debts	1,152,799	–	2,671,761	5,129,313
Administrative expenses	–	–	–	895,040
Interest recharge	–	–	–	333,676

30 Operating lease commitments

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

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Not later than one year	12,863	48,470	–	–
Between one and five years	42,395	66,702	–	–
	55,258	115,172	–	–

31. Capital commitment

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
For purchase of investment (Note 17)	497,500	–	497,500	–

32 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.

33 Approval of financial statements

These financial statements were approved by the Directors on 7 March 2017.

For GTL International Limited

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 2016.

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 2016 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and

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

2 DIRECTORS

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

3 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

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

4 DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

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

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

5 SHARE OPTIONS

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

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

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

6 AUDITORS

The auditors, Rohan • Mah & Partners LLP have expressed their willingness to accept reappointment as auditor.

ON BEHALF OF THE BOARD OF DIRECTORS

Milind Vasant Bapat

Director

Mayekar Shivani Shailesh

Director

Singapore,
3 March 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

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

Opinion

We have audited the accompanying financial statements of GTL (Singapore) Pte. Ltd. ("the Company''), which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 December 2016 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

ROHAN • MAH & PARTNERS LLP
Public Accountants and
Chartered Accountants

Singapore
3 March 2017
(RK/MA./SR/HL/JS/FC/ns)

BALANCE SHEET AS AT 31 DECEMBER, 2016

	As at 31 Dec 2016 INR Crores	As at 31 Dec 2015 INR Crores	As at 1 Jan 2015 INR Crores	As at 31 Dec 2016 USD	As at 31 Dec 2015 USD	As at 1 Jan 2015 USD
Assets						
Non–current assets						
Property, plant and equipment	**0.01**	1.25	1.47	**1,008.00**	188,646.00	232,339.00
Capital work–in–progress	**–**	–	–	**–**	–	–
Investment properties	**–**	–	–	**–**	–	–
Intangible assets	**–**	–	–	**–**	–	–
Intangible assets under development	**–**	–	–	**–**	–	–
Financial assets						
Investments	**2.38**	2.33	1.27	**349,999.00**	349,999.00	199,999.00
Loans	**–**	–	–	**–**	–	–
Other financial assets	**–**	–	–	**–**	–	–
Deferred tax assets (net)	**–**	–	–	**–**	–	–
Other non–current assets	**–**	–	–	**–**	–	–
	2.38	**3.58**	**2.74**	**351,007.00**	**538,645.00**	**432,338.00**
Current assets						
Inventories	**–**	–	–	**–**	–	–
Financial assets						
Investments	**–**	–	–	**–**	–	–
Trade receivables	**36.75**	30.65	5.80	**5,412,079.00**	4,614,219.00	916,732.00
Cash and cash equivalents	**9.81**	5.46	1.86	**1,444,172.00**	821,268.00	293,059.00
Bank balance other than included in Cash and cash equivalents above	**–**	–	–	**–**	–	–
Other receivables	**–**	–	–	**–**	–	–
Loans	**–**	–	–	**–**	–	–
Other financial assets	**–**	–	–	**–**	–	–
Current Tax Assets (Net)	**–**	–	–	**–**	–	–
Other current assets	**–**	–	–	**–**	–	–
	46.56	36.11	7.66	**6,856,251.00**	5,435,487.00	1,209,791.00
Assets classified as held for sale						
	46.56	36.11	7.66	**6,856,251.00**	5,435,487.00	1,209,791.00
Total Assets	**48.94**	**39.69**	**10.40**	**7,207,258.00**	**5,974,132.00**	**1,642,129.00**
Equity and liabilities						
Equity						
Equity Share Capital	**2.04**	2.00	1.90	**300,883**	300,883	300,883
Other Equity	**46.22**	22.10	6.41	**6,805,794**	3,326,403	1,011,919
Total Equity	**48.26**	**24.10**	**8.31**	**7,106,677**	**3,627,286**	**1,312,802**
Non–current liabilities:						
Financial liabilities						
Borrowings	**–**	–	–	**–**	–	–
Trade payables	**–**	–	–	**–**	–	–
Other financial liabilities	**–**	–	–	**–**	–	–
Provisions	**–**	–	–	**–**	–	–
Deferred tax liabilities (net)	**–**	–	–	**–**	–	–
Other non–current liabilities	**–**	–	–	**–**	–	–
	–	–	–	**–**	–	–
Current liabilities:						
Financial liabilities						
Borrowings	**–**	–	–	**–**	–	–
Trade payables	**0.68**	15.59	2.08	**100,581.00**	2,346,846.00	329,327.00
Other financial liabilities	**–**	–	–	**–**	–	–
Other current liabilities	**–**	–	–	**–**	–	–
Provisions	**–**	–	–	**–**	–	–
Current tax liabilities (net)						
	0.68	**15.59**	**2.08**	**100,581.00**	**2,346,846.00**	**329,327.00**
Total liabilities	**0.68**	15.59	2.08	**100,581.00**	2,346,846.00	329,327.00
Total equity and liabilities	**48.94**	**39.69**	**10.40**	**7,207,258.00**	**5,974,132.00**	**1,642,129.00**

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

	Year ended 31st Dec, 2016	Year ended 31st Dec, 2015 Restated*	Year ended 31st Dec, 2016	Year ended 31st Dec, 2015 Restated*
	INR in Crore	INR in Crore	USD	USD
Continuing operations				
Revenue from operations	**21.82**	22.68	**3,236,200.00**	3,455,740.00
Other income	**22.79**	12.57	**3,381,238.00**	1,914,428.00
TOTAL INCOME	**44.61**	**35.25**	**6,617,438.00**	**5,370,168.00**
EXPENSES				
Cost of materials consumed	**18.59**	18.94	**2,758,362.00**	2,885,685.00
Purchases of stock–in–trade	**–**	–	**–**	–
Changes in inventories of finished goods, stock–in–trade and work–in–progress	**–**	–	**–**	–
Employee benefits expenses	**–**	–	**–**	–
Finance costs	**–**	–	**–**	–
Depreciation and amortisation expenses	**0.19**	0.28	**28,627.00**	43,097.00
Other expenses	**1.54**	0.38	**228,600.00**	57,698.00
TOTAL EXPENSES	**20.32**	**19.60**	**3,015,589.00**	**2,986,480.00**
Profit/(loss) before exceptional items and tax from continuing operations	**24.29**	**15.65**	**3,601,849.00**	**2,383,688.00**
Exceptional items				
Profit/(loss) before tax from continuing operations	**24.29**	**15.65**	**3,601,849.00**	**2,383,688.00**
Tax expenses				
Current tax / Subsidiary Disposed off + Retained earning of Subsidiary Dispose off	**0.83**	0.45	**122,458.00**	69,204.00
Adjustment of tax relating to earlier periods				
Deferred tax credit/(charge)				
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**23.46**	**15.19**	**3,479,391.00**	**2,314,484.00**
Discontinued operations:				
Profit/ (loss) for the year from discontinued operations	**–**	–	**–**	–
Profit/(loss) for the year	**23.46**	**15.19**	**3,479,391**	**2,314,484**
Other comprehensive income for the year, net of tax	**–**	–	**–**	–
Total Comprehensive Income for the period, net of tax	**23.46**	**15.19**	**3,479,391.00**	**2,314,484.00**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

a. Equity Share Capital:

	Nos.	INR Crores	USD
At 1 January 2015	500,000	1.90	300,883
Issue of share capital		–	–
At 31 December 2015	500,000	2.00	300,883
Issue of share capital		–	–
At 31 December 2016	500,000	2.04	300,883

b. Other Equity:

For the year ended 31 December 2016

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)	
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores
As at 31 December 2015	–	–	–	–	–	–	22.10	–	22.10
Net Profit for the period							23.46		23.46
Other comprehensive income									
Total comprehensive income	–	–	–	–	–	–	23.46	–	23.46
Translation Reserves	–	–	–	–	–	–	0.66	–	0.66
As at 31 December 2016	–	–	–	–	–	–	46.22	–	46.22

For the year ended 31 December 2015

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)	
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores
As at 1 January 2015	–	–	–	–	–	–	6.41	–	6.41
Net Profit for the period							15.19		15.19
Other comprehensive income									
Total comprehensive income	–	–	–	–	–	–	15.19	–	15.19
Translation Reserves	–	–	–	–	–	–	0.50	–	0.50
As at 31 December 2015	–	–	–	–	–	–	22.10	–	22.10

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2016

	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	INR in Crores	INR in Crores	USD	USD
Operating activities				
Profit before tax from continuing operations	**24.46**	15.83	**3,601,849.00**	2,383,688.00
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and impairment of property, plant and equipment	**0.19**	0.29	**28,627.00**	43,097.00
Gain/Loss on disposal of property, plant and equipment	**1.08**	0.00	**159,011.00**	596.00
Finance income (including fair value change in financial instruments)_Dividend Income	**(22.96)**	(12.68)	**(3,381,238.00)**	(1,908,621.00)
Working capital adjustments:				
(Increase)/decrease in trade receivables	**7.51**	(9.61)	**1,106,201.00**	(1,446,290.00)
Increase /(decrease) in trade payables, other current and non current liabilities and provisions	**(15.23)**	13.95	**(2,243,044.00)**	2,099,284.00
	(4.95)	7.78	**(728,594.00)**	1,171,754.00
Income tax paid (including TDS) (net)	**(0.83)**	(0.46)	**(122,458.00)**	(69,204.00)
Net cash flows from operating activities	**(5.78)**	**7.32**	**(851,052.00)**	**1,102,550.00**
Investing activities				
Purchase of Investment Subsidiary	**–**	(1.00)	**–**	(150,000.00)
Amount due from ultimate holding company – Non–trade	**(7.67)**	(8.75)	**(1,129,020.00)**	(1,317,505.00)
Amount due from Subsidiaries _ Trade	**4.90**	(4.80)	**722,261.00**	(722,261.00)
Divdend Received	**12.79**	11.27	**1,883,936**	1,697,190
Net cash flows from / (used in) investing activities	**10.03**	(3.27)	**1,477,177.00**	(492,576.00)
Financing activities				
Amount due to Ultimate holding Company – None Trade	**(0.02)**	–	**(3,221.00)**	–
Amount due to Subsiary – None Trade	**–**	(0.54)	**–**	(81,765.00)
Net cash flows from / (used in) financing activities	**(0.02)**	(0.54)	**(3,221.00)**	(81,765.00)
Net increase / (decrease) in cash and cash equivalents	**4.23**	3.51	**622,904.00**	528,209.00
Translation differences	**–**	–	**–**	–
Cash and cash equivalents at the beginning of the year	**5.36**	1.86	**821,268.00**	293,059.00
Cash and cash equivalents at the end	**9.59**	5.36	**1,444,172.00**	821,268.00

SCHEDULES TO THE FINANCIALS FOR THE YEAR ENDED AND AS AT DECEMBER 31, 2016

3. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Leasehold land	Buildings	Plant & machi–nery	Furniture & fixtures	Office equip–ments	Computers	Net working Assets	Test and Repair Equipments	Vehicles	Capital Work in Progress	Total	Freehold land	Lease–hold land	Buildings	Plant & machi–nery	Furniture & fixtures	Office equip–ments	Computers	Net working Assets	Test and Repair Equipments	Vehicles	Capital Work in Progress	Total
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Cost																								
At 1 Jan 2015	–	–	–	–	–	–	5.20	–	–	–	–	5.20							821,324.00					821,324.00
Additions	–	–	–	–	–	–	–	–	–	–	–	–												–
Disposals	–	–	–	–	–	–	(0.01)	–	–	–	–	(0.01)							(1,773.00)					(1,773.00)
At 31 Dec 2015	–	–	–	–	–	–	5.44	–	–	–	–	5.44	–	–	–	–	–	–	819,551.00	–	–	–	–	819,551.00
Additions	–	–	–	–	–	–	–	–	–	–	–	–												–
Disposals	–	–	–	–	–	–	(5.54)	–	–	–	–	(5.54)							(816,463.00)					(816,463.00)
Discontinued operations (Note XX)	–	–	–	–	–	–	–	–	–	–	–	–												–
At 31 Dec 2016	–	–	–	–	–	–	0.02	–	–	–	–	0.02	–	–	–	–	–	–	3,088.00	–	–	–	–	3,088.00
Depreciation and impairment																								
At 1 Jan 2015	–	–	–	–	–	–	3.73	–	–	–	–	3.73							588,985.00					588,985.00
Depreciation charge for the year	–	–	–	–	–	–	0.29	–	–	–	–	0.29							43,097.00					43,097.00
Disposals	–	–	–	–	–	–	(0.01)	–	–	–	–	(0.01)							(1,177.00)					(1,177.00)
At 31 Dec 2015	–	–	–	–	–	–	4.19	–	–	–	–	4.19	–	–	–	–	–	–	630,905.00	–	–	–	–	630,905.00
Depreciation charge for the year**	–	–	–	–	–	–	0.19	–	–	–	–	0.19							28,627.00					28,627.00
Disposals	–	–	–	–	–	–	(4.46)	–	–	–	–	(4.46)							(657,452.00)					(657,452.00)
Discontinued operations	–	–	–	–	–	–	–	–	–	–	–	–												–
At 31 Dec 2016	–	–	–	–	–	–	0.01	–	–	–	–	0.01	–	–	–	–	–	–	2,080.00	–	–	–	–	2,080.00
Net Book Value																			–					
At 31 Dec 2016	–	–	–	–	–	–	0.01	–	–	–	–	0.01	–	–	–	–	–	–	1,008.00	–	–	–	–	1,008.00
At 31 Dec 2015	–	–	–	–	–	–	1.25	–	–	–	–	1.25	–	–	–	–	–	–	188,646.00	–	–	–	–	188,646.00
At 1 Jan 2015	–	–	–	–	–	–	1.47	–	–	–	–	1.47	–	–	–	–	–	–	232,339.00	–	–	–	–	232,339.00

Net Book Value

	At 31 Dec 2016	At 31 Dec 2015	At 1 Jan 2015	At 31 Dec 2016	At 31 Dec 2015	At 1 Jan 2015
	INR in Crores	INR in Crores	INR in Crores	**USD**	USD	USD
Plant, property and equipment	**0.01**	1.25	1.47	**1,008.00**	188,646.00	232,339.00
Capital Work in Progress	**–**	–	–	**–**	–	–

4. FINANCIAL ASSETS

	31 Dec 2016	31 Dec 2015	1 Jan 2015	31 Dec 2016	31 Dec 2015	1 Jan 2015
	INR in Crores	INR in Crores	INR in Crores	**USD**	USD	USD
Non– Trade						
Unquoted						
Investment in Equity Instruments– Subsidiaries	**2.38**	2.33	1.27	**349,999.00**	349,999.00	199,999.00
Total Investments	**2.38**	**2.33**	**1.27**	**349,999.00**	**349,999.00**	**199,999.00**
Total financial assets	**2.38**	**2.33**	**1.27**	**349,999.00**	**349,999.00**	**199,999.00**

5. OTHER NON–CURRENT ASSETS

	31 Dec 2016	31 Dec 2015	1 Jan 2015	31 Dec 2016	31 Dec 2015	1 Jan 2015
	INR in Crores	INR in Crores	INR in Crores	**USD**	USD	USD
Trade receivables						
Unsecured, considered good	**3.65**	10.93	1.26	**537,703.00**	1,645,106.00	198,816.00
	3.65	10.93	1.26	**537,703.00**	1,645,106.00	198,816.00
Other receivables						
Unsecured, considered good	**33.10**	19.72	4.55	**4,874,376.00**	2,969,113.00	717,916.00
	33.10	19.72	4.55	**4,874,376.00**	2,969,113.00	717,916.00
Total trade receivables	**36.75**	**30.65**	**5.80**	**5,412,079.00**	**4,614,219.00**	**916,732.00**

6. CASH AND CASH EQUIVALENTS

	31 Dec 2016	31 Dec 2015	1 Jan 2015	31 Dec 2016	31 Dec 2015	1 Jan 2015
	INR in Crores	INR in Crores	INR in Crores	**USD**	USD	USD
Balances with banks						
In current accounts	**9.81**	5.46	1.86	**1,444,172.00**	821,268.00	293,059.00
Cash on hand	**–**	–	–	**–**	–	–
	9.81	5.46	1.86	**1,444,172.00**	821,268.00	293,059.00

7. SHARE CAPITAL

Authorised Share Capital

	Equity shares		
	No.	**INR in Crores**	**USD**
At 1 January 2015	500,000	1.90	300,883
Increase / (decrease) during the year	–	–	–
At 31 December 2015	500,000	2.00	300,883
Increase / (decrease) during the year	–	–	–
At 31 December 2016	500,000	2.04	300,883

Issued equity capital

	No.	**INR in Crores**	**USD**
At 1 Jan 2015	500,000	1.90	300,883
Changes during the year	–	–	–
At 31 Dec 2015	500,000	2.00	300,883
Changes during the year	–	–	–
At 31 Dec 2016	500,000	2.04	300,883

8. OTHER EQUITY

Balance in Statement of Profit and Loss

	INR in Crores	**USD**
At 1 Jan 2015	6.41	1,011,919
Add: Profit during the year	15.19	2,314,484
Less: Transfer to debenture redemption reserve	0.50	–
At 31 Dec 2015	22.10	3,326,403
Add: Profit during the year	23.46	3,479,391
Less: Transfer to debenture redemption reserve	0.66	–
At 31 Dec 2016	46.22	6,805,794

Total other equity

	INR in Crores	**USD**
At 1 January 2015	6.41	1,011,919
At 31 December 2015	22.10	3,326,403
At 31 December 2016	46.22	6,805,794

9. TRADE PAYABLES

	31 December 2016	31 December 2015	1 January 2015	**31 December 2016**	31 December 2015	1 January 2015
	INR in Crores	INR in Crores	INR in Crores	**USD**	USD	USD
Trade payables	0.68	1.62	2.08	100,581.00	243,696.00	329,327.00
Trade payables to related parties	–	13.97	–	–	2,103,150.00	–
	0.68	**15.59**	**2.08**	**100,581.00**	**2,346,846.00**	**329,327.00**

10. REVENUE FROM OPERATIONS

	31 Dec 2016 INR in Crores	31 Dec 2015 INR in Crores	31 Dec 2016 USD	31 Dec 2015 USD
Sale of products (including excise duty)				
Telecom products	–	11.12	–	1,694,570.00
Rendering of Services				
Telecom services	21.82	11.56	3,236,200.00	1,761,170.00
	21.82	**22.68**	**3,236,200.00**	**3,455,740.00**

11. OTHER INCOME

	31 Dec 2016 INR in Crores	31 Dec 2015 INR in Crores	31 Dec 2016 USD	31 Dec 2015 USD
Gain on foreign currency transactions (Net)	–	0.04	–	5,807.00
Other non–operating income (Dividend)	22.79	12.53	3,381,238.00	1,908,621.00
	22.79	**12.57**	**3,381,238.00**	**1,914,428.00**

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

12. COST OF MATERIALS CONSUMED

	31 Dec 2016 INR in Crores	31 Dec 2015 INR in Crores	31 Dec 2016 USD	31 Dec 2015 USD
Raw Material Consumed	18.59	18.94	2,758,362.00	2,885,685.00
Inventory at the beginning of the year	–	–		
Add: Purchases	–	–		
	18.59	18.94	2,758,362.00	2,885,685.00
Less: inventory at the end of the year	–	–		
Cost of raw material and components consumed	18.59	18.94	2,758,362.00	2,885,685.00

13. DEPRECIATION AND AMORTIZATION EXPENSE

	31 Dec 2016 INR in Crores	31 Dec 2015 INR in Crores	31 Dec 2016 USD	31 Dec 2015 USD
Depreciation of tangible assets (note 3)	0.19	0.28	28,627.00	43,097.00
	0.19	**0.28**	**28,627.00**	**43,097.00**

14. OTHER EXPENSES

	31 Dec 2016 INR in Crores	31 Dec 2015 INR in Crores	31 Dec 2016 USD	31 Dec 2015 USD
Communication expenses	–	0.03	–	4,598.00
Legal and professional charges	0.09	0.04	13,340.00	6,598.00
Loss/(Gain) on sale of fixed assets/asset disposed off (net)	1.07	–	159,011.00	
Miscellaneous expenses	0.38	0.31	56,249.00	46,502.00
	1.54	**0.38**	**228,600.00**	**57,698.00**

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

1 ORPORATE INFORMATION

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

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

The Company is a wholly–owned subsidiary of GTL International Limited, incorporated in Bermuda. The ultimate holding company is 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 2016 were authorised for issue in accordance with a resolution of the Directors on 3 March 2017.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis Of Preparation

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

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

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 2016. 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.

2.2 Plant And Equipment

2.2.1 Measurement

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

2.2.2 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.

2.2.3 Depreciation

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

	Years
Computers	5

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

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

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

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.

2.7 Financial Liabilities

2.7.1 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.

2.7.2 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.

2.7.3 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.

2.8 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.

2.9 Foreign Currency

2.9.1 Functional And Presentation Currency

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

2.9.2 Foreign Currencies Transactions

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

2.10 Related Parties

A related party is defined as follows:

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

(i) Has control or joint control over the Company; (ii) Has significant influence over the Company; or

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

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

(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); or

(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.

2.12 Fair Value Estimation

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

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

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

2.13 Share Capital

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

2.14 Provisions

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

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

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

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

2.15 Leases

2.15.1 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.

2.15.2 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.

2.16 Finance Costs

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

2.17 Interest–Bearing Loans And Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process.

2.18 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:

2.18.1 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.

2.18.2 Rendering of Service

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

2.18.3 Dividend income

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

2.19 Employee Benefits

2.19.1 Defined Contribution Pension Costs

Defined contribution plans are post–employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund, 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.

2.19.2 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 balance sheet date.

2.20 Income Taxes

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

Deferred income tax assets/liabilities are recognised for all deductible taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax assets/liabilities arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are measured at:

(i) the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date; and

(ii) the tax consequence that would follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in the statement of comprehensive income for the period, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax on temporary differences arising from the revaluation gains and losses on land and buildings, fair value gains and losses on available–for–sale financial assets and cash flow hedges, and the liability component of convertible debts are charged or credited directly to equity in the same period the temporary differences arise. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.21 Government Grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets. Jobs credit grants, which are government grants given to match staff and business costs, are recognised in the month of payment only as certain conditions have to be fulfilled before payment.

3 PLANT AND EQUIPMENT

2016 Cost	Computers US$	Total US$
At beginning of year	819,551	819,551
Disposal	(816,463)	(816,463)
At end of year	3,088	3,088
Accumulated Depreciation		
At beginning of year	630,905	630,905
Depreciation	28,627	28,627
Disposal	(657,452)	(657,452)
At end of year	2,080	2,080
Carrying Amount		
At end of year	1,008	1,008
2015 **Cost**		
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

4 INVESTMENT IN SUBSIDIARIES

	2016 US$	2015 US$
Unquoted shares, at cost	574,999	424,999
Add: Additions during the year	–	150,000
	574,999	574,999
Less: Provision for impairment		
Balance at beginning and end of year	(225,000)	(225,000)
	349,999	349,999

Details of the subsidiaries are as follows:

Name	Country of incorporation and business	Principal activities	Effective equity held by the Company (%) 2016	2015
PT GTL Solutions Indonesia #	Indonesia	Management consulting services in telecommunication and system	100	100
GTL Nepal Pvt Limited *	Nepal	Management consulting services in telecommunication and system	100	100
iGTL Myanmar Limited ^	Myanmar	Consultancy, project management, supervision,operations and maintenance services associated with network services.	100	100

As at the balance sheet date, investments in PT GTL Solutions Indonesia have been fully impaired.

Audited by Gatot Victor, Indonesia

* Audited by Joshi & Bhandary, Nepal

^ Audited by Win Thin & Associates, Myanmar

5 TRADE AND OTHER RECEIVABLES

	2016 US$	2015 US$
Trade receivables (Note 6)	537,703	1,645,106
Other receivables (Note 7)	4,874,376	2,969,113
	5,412,079	**4,614,219**

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

	2016 US$	2015 US$
Nepalese Rupee	958,737	211,431
Singapore Dollar	1,201	–
United States Dollar	4,452,141	4,402,788
	5,412,079	**4,614,219**

6. TRADE RECEIVABLES

	2016 US$	2015 US$
Trade receivables	275,779	123,041
Amount due from subsidiaries	261,924	1,522,065
	537,703	1,645,106
Less : Allowance for doubtful debts		
Balance at beginning of year	–	(55,399)
Written off	–	55,399
Balance at end of year	–	–
	537,703	**1,645,106**

Trade receivables are non–interest bearing and are generally on 0 – 60 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The maximum exposure of credit risk for trade receivables at the reporting date is US$537,703 (2015: US$1,645,106).

The aging of trade receivables at the reporting date is:

	Gross 2016 US$	Impairment losses 2016 US$	Gross 2015 US$	Impairment losses 2015 US$
Current	288,188	–	1,450,750	–
Past due 1 – 30 days	–	–	41,341	–
Past due 31 – 120 days	–	–	–	–
Past due 121 – 365 days	193,000	–	153,015	–
Past due 365 days	56,515	–	–	–
	537,703	–	1,645,106	–

Based on historical default rates, the Company believes that no impairment allowance is necessary in respect of trade receivables not past due and past due up to 365 days. These receivables are mainly arising by customers that have good record with the Company.

7 OTHER RECEIVABLES

	2016 US$	2015 US$
Amount due from immediate holding company	3,164,441	2,035,421
Amount due from subsidiaries	–	722,261
Dividend receivable	1,708,733	211,431
GST receivables	1,202	–
	4,874,376	2,969,113

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

8. CASH AND CASH EQUIVALENTS

	2016 US$	2015 US$
Cash and bank balances	1,444,172	821,268

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:

	2016 US$	2015 US$
Singapore Dollar	173,252	57,250
United States Dollar	1,270,920	764,018
	1,444,172	**821,268**

9 TRADE AND OTHER PAYABLES

	2016 US$	2015 US$
Trade payables	83,743	235,474
Amount due to related party – trade	–	2,103,150
Accruals	15,215	5,001
Amount due to ultimate holding company – non–trade	–	3,221
Other payable	1,623	–
	100,581	**2,346,846**

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:

	2016 US$	2015 US$
Singapore Dollar	16,838	10,122
United States Dollar	83,743	2,336,724
	100,581	**2,346,846**

10 SHARE CAPITAL

	2016		2015	
	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:

	2016 US$	2015 US$
Service income	3,236,200	1,761,170
Turnkey product sale	–	1,694,570
	3,236,200	**3,455,740**

12 OTHER INCOME

	2016 US$	2015 US$
Dividend income	3,381,238	1,908,621
Foreign exchange gain	–	5,807
	3,381,238	**1,914,428**

13 OTHER EXPENSES

Other expenses include:

	2016 US$	2015 US$
Foreign exchange loss	7,258	–
Legal and professional fee	13,340	6,598
Loss on disposal of plant and equipment	159,011	–
Postage and courier	–	4,598
Subscription fee	1,383	13,241

14, TAXATION

Major components of income tax expense are as follows:

	2016 US$	2015 US$
Current year taxation	–	–
Withholding tax	122,458	69,204
	122,458	**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:

	2016 US$	2015 US$
Profit before taxation	3,601,849	2,383,688
Income tax on profit before tax at 17%	612,314	405,227
Adjustments:		
Non–deductible expenses	31,898	7,428
Income not subjected to tax	(574,810)	(324,466)
Utilisation of capital allowances	(69,402)	(88,189)
Withholding tax	122,458	69,204
Tax expense	**122,458**	**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:

	2016 US$	2015 US$
Differences in tax written down value and net book value of plant and equipment	(171)	(32,171)
Unutilised capital allowances	138,016	144,529
Unutilised tax losses	232,639	232,639
	370,484	**344,997**

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.

15. SIGNIFICANT RELATED PARTIES TRANSACTIONS

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

	2016 US$	2015 US$
Holding company		
Expenses transferred to	346,471	503,189
Funds provided to	3,300,000	348,851
Subsidiary		
Services rendered to	2,085,000	1,977,270
Funds provided to	3,995,000	94,796
Related company		
Services rendered from	2,614,300	2,245,920
Funds provided to	2,200,000	465,465

Balances with related parties at the balance sheet date are set out in Note 6, 7 and 9. Key management personnel compensation for the financial year is as follows:

	2016 US$	2015 US$
Directors of the Company:		
Directors' fees	30,313	24,007

16. FINANCIAL INSTRUMENTS

Categories of Financial Instruments

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and financial liabilities:

	2016 US$	2015 US$
Financial assets		
Loans and receivables:		
Trade and other receivables	5,412,079	4,614,219
Cash and cash equivalents	1,444,172	821,268
	6,856,251	5,435,487
Financial liabilities		
Financial liabilities measured at amortised cost:		
Trade and other payables	100,581	2,346,846

Financial Risk Management Objectives and Policies

The main risks arising from the Company's financial instruments are credit, foreign currency, liquidity risks and interest rate. The policies of managing each of these risks are summarised below:

Credit Risk

The credit risk refers to the risk that counter parties may default on their contractual obligations resulting in a financial loss to the Company. The Company's customer portfolio is diversified and there is no reliance on any customer. These exposures are monitored and provision for potential credit losses is adjusted when necessary. The aggregate amount of its trade and other receivables and bank balance represents the Company maximum exposure to credit risk.

Cash and bank balances are placed with reputable local financial institutions. Therefore, credit risk arises mainly from the inability of the Company's customers to make payments when due. The amounts presented in the statement of financial position are net of allowances for impairment of trade receivables, estimated by management based on prior experience and the current economic environment.

Information regarding financial assets that are either past due or impaired is disclosed in Note 6 (Trade Receivables).

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	Singapore Dollar
	US$	US$
2016		
Trade and other receivables	958,737	–
Cash and cash equivalents	–	173,252
Trade and other payables	–	(16,838)
	958,737	156,414
2015		
Trade and other receivables	211,431	–
Cash and cash equivalents	–	57,250
Trade and other payables	–	(10,122)
	211,431	47,128

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$
2016	
Nepalese Rupee	(47,937)
Singapore Dollar	(7,821)
	(55,758)
2015	
Nepalese Rupee	(10,572)
Singapore Dollar	(2,356)
	(12,928)

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.

2016	**Within 1 year**	**Within 2 to 5 years**	**More than 5 years**	**Total**
	US$	**US$**	**US$**	**US$**
Financial Assets				
Trade and other receivables	5,412,079	–	–	5,412,079
Cash and cash equivalents	1,444,172	–	–	1,444,172
Total undiscounted financial assets	**6,856,251**	**–**	**–**	**6,856,251**
Financial Liabilities				
Trade and other payables	100,581	–	–	100,581
Total undiscounted financial liabilities	100,581			100,581
Total net undiscounted financial assets	**6,755,670**	**–**	**–**	**6,755,670**

2015	Within 1 year	Within 2 to 5 years	More than 5 years	Total
	US$	US$	US$	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**

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Company has no significant interest–bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

Fair Value of Financial Instruments

As at the end of the financial year, the Company has no financial assets or financial liabilities that are carried at fair value measurements.

The carrying amounts of financial assets and financial liabilities of the Company recorded at amortised cost in the financial statements approximate their fair values due to their short term nature

17 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

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

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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 2016 is US$1,008 (2015: US$188,646). 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.

18. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to maximise 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 2016 and 31 December 2015.

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.

	2016 US$	**2015 US$**
Net debts	(1,343,591)	1,525,578
Total equity	7,106,677	3,627,286
Total capital	5,763,086	5,152,864
Gearing ratio	–	0.3

The Company does not have any externally imposed capital requirements for the financial year ended 31 December 2016 and 31 December 2015.

DIRECTORS' REPORT

We submit our report and the audited financial statements for the year ended 31 December 2016.

Review of business and performance

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

The Company achieved revenue of AED 9.55 million as compared to AED 14.28 million in the previous period and an overall gross profit margin of 40.9% as compared to 35.1% in the previous year. The overhead expenses of AED 5,894,133 incurred during the year include bad debts of AED 2,258,831 written off and provision for doubtful debts of AED 1,451,766.

Consequently, the Company incurred a loss of AED 1,957,703 for the year against a profit of AED 1,501,180 in the previous year.

Events since the end of the year

There are no significant events since the end of the year.

Shareholder and its interest

The Shareholder as at 31 December 2016 and its interest in the share capital of the Company as at that date was as follows:

Name	Number of shares	AED
GTL International Limited, Bermuda	**50**	**50,000**

Management responsibilities

The Implementing Regulations No. 1/03 of the Dubai Multi Commodities Centre Authority, requires the Directors to prepare the financial statements in accordance with the International Financial Reporting Standards which give a true and fair view of the state of affairs of the Company and of profit/loss for each financial year. We confirm that we are responsible for these financial statements, which have been prepared in conformity with the statutory requirements and the International Financial Reporting Standards, including selecting the accounting policies and making the judgements underlying them. We confirm that we have made available all relevant accounting records and information for compilation of these financial statements and that all transactions have been recorded and are reflected in the financial statements.

Auditors

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

Vipulkumar Patel	**Sandhya Patel**
Director	**Director**

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the accompanying financial statements of **GTL Overseas (Middle East) DMCC (the Company), Dubai, UAE**, which comprises the statement of financial position as at **31 December 2016**, and the statements of profit or loss and other comprehensive income, changes in Shareholder's funds and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 4 to 17.

In our opinion, the financial statements present fairly, in all material respects, the financial position of **GTL Overseas (Middle East) DMCC** as of **31 December 2016** and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2 (b) to the financial statements, which states that although as at the end of the reporting period the Company had accumulated losses of AED 10,152,406, which has eroded the share capital of the Company, 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 modified in respect of this matter.

Key Audit Matters

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

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and its preparation in compliance with the applicable provisions of the requirements of Implementing Regulations No. 1/03 of Dubai Multi Commodities Centre Authority, the Memorandum and Articles of Association of the Company and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility

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

Report on Other Legal and Regulatory Requirements

As required by the Implementing Regulations No. 1/03 of the Dubai Multi Commodities Centre Authority, we further report that:

i) we have obtained all the information and explanations as we considered necessary for the purpose of our audit;

ii) the financial statements have been prepared and comply, in all material respects, with the the requirements of the applicable provisions of the Regulations No. 1/03 issued by Dubai Multi Commodities Centre Authority read with the UAE Federal Law No. (2) of 2015 and International Financial Reporting Standards;

iii) proper books of account have been kept by the Company;

iv) the financial information contained in the Directors' report, in so far as it relates to these financial statements is consistent with the books of account of the Company;

v) Note 20 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 2016.

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

26 February 2017
Dubai, United Arab Emirates

BALANCE SHEET AS AT 31 DECEMBER 2016

	As at 31 December 2016 INR Crores	As at 31 December 2015 INR Crores	As at 1 January 2015 INR Crores	**As at 31 December 2016 AED**	As at 31 December 2015 AED	As at 1 January 2015 AED
Assets						
Non–current assets						
Property, plant and equipment	**0.41**	0.49	0.14	**223,035**	270,846	78,793
Capital work–in–progress	**–**	–	–	**–**	–	–
Investment properties	**–**	–	–	**–**	–	–
Intangible assets	**–**	–	–	**–**	–	–
Intangible assets under development	**–**	–	–	**–**	–	–
Financial assets	**–**	–	–	**–**	–	–
Investments	**–**	–	–	**–**	–	–
Loans	**–**	–	–	**–**	–	–
Other financial assets	**–**	–	–	**–**	–	–
Deferred tax assets (net)	**–**	–	–	**–**	–	–
Other non–current assets	**0.04**	0.04	0.04	**24,000**	21,000	21,000
	0.46	**0.53**	**0.17**	**247,035**	**291,846**	**99,793**
Current assets						
Inventories	**–**	–	0	**–**	–	84,135
Financial assets						
Investments	**–**	–	–	**–**	–	–
Trade receivables	**–**	18.25	22.43	**–**	10,027,772	12,935,016
Cash and cash equivalents	**2.88**	1.78	1.09	**1,549,639**	978,592	628,532
Bank balance other than included in Cash and cash equivalents above	**–**	–	–	**–**	–	–
Other receivables	**0.18**	0.25	1.54	**95,251**	136,160	887,365
Loans	**–**	–	–	**–**	–	–
Other financial assets	**–**	–	–	**–**	–	–
Current Tax Assets (Net)	**–**	–	–	**–**	–	–
Other current assets	**3.02**	8.68	0.03	**1,622,790**	4,771,430	16,384
	6.08	28.96	25.24	**3,267,680**	15,913,954	14,551,432
Assets classified as held for sale						
	6.08	28.96	25.24	**3,267,680**	15,913,954	14,551,432
Total Assets	**6.54**	**29.49**	**25.41**	**3,514,715**	**16,205,800**	**14,651,225**
Equity and liabilities						
Equity						
Equity Share Capital	**0.09**	0.09	0.09	**50,000**	50,000	50,000
Other Equity	**(18.89)**	(14.91)	(16.82)	**(10,152,406)**	(8,194,703)	(9,695,883)
Total Equity	**(18.79)**	**(14.82)**	**(16.73)**	**(10,102,406)**	**(8,144,703)**	**(9,645,883)**
Non–current liabilities:						
Financial liabilities						
Borrowings	**–**	–	–	**–**	–	–
Trade payables	**23.93**	41.31	30.30	**12,864,767**	22,699,501	17,469,396
Other financial liabilities	**–**	–	–	**–**	–	–
Provisions	**0.16**	0.08	0.08	**86,042**	46,026	43,825
Deferred tax liabilities (net)	**–**	–	–	**–**	–	–
Other non–current liabilities	**–**	–	–	**–**	–	–
	24.09	**41.39**	**30.37**	**12,950,809**	**22,745,527**	**17,513,221**
Current liabilities:						
Financial liabilities						
Borrowings	**–**	–	–	**–**	–	–
Trade payables	**1.24**	2.92	11.77	**666,312**	1,604,976	6,783,887
Other financial liabilities	**–**	–	–	**–**	–	–
Other current liabilities	**–**	–	–	**–**	–	–
Provisions	**–**	–	–	**–**	–	–
Current tax liabilities (net)						
	1.24	2.92	11.77	**666,312**	1,604,976	6,783,887
Total liabilities	**–**	–	–	**–**	–	–
Total equity and liabilities	**6.54**	**29.49**	**25.41**	**3,514,715**	**16,205,800**	**14,651,225**

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

	Year ended 31st Dec, 2016 INR Crores	Year ended 31st Dec, 2015 Restated* INR Crores	Year ended 31st Dec, 2016 AED	Year ended 31st Dec, 2015 Restated* AED
Continuing operations				
Revenue from operations	**17.63**	25.67	**9,548,351**	14,276,738
Other income	**(0.65)**	0.18	**(350,605)**	98,303
TOTAL INCOME	**16.98**	**25.85**	**9,197,746**	**14,375,041**
EXPENSES				
Cost of materials consumed	**–**	–	**–**	–
Purchases of stock–in–trade	**8.14**	10.02	**4,407,945**	5,574,823
Changes in inventories of finished goods, stock–in–trade and work–in–progress	**–**	–	**–**	–
Employee benefits expenses	**3.39**	8.86	**1,833,561**	4,926,161
Finance costs	**–**	–	**–**	–
Depreciation and amortisation expenses	**0.14**	0.23	**75,384**	125,596
Other expenses	**8.93**	4.03	**4,838,559**	2,247,281
TOTAL EXPENSES	**20.60**	**23.14**	**11,155,449**	**12,873,861**
Profit/(loss) before exceptional items and tax from continuing operations	**(3.62)**	**2.70**	**(1,957,703)**	**1,501,180**
Exceptional items	**–**	**–**	**–**	**–**
Profit/(loss) before tax from continuing operations	**(3.62)**	**2.70**	**(1,957,703)**	**1,501,180**
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**(3.62)**	2.70	**(1,957,703)**	1,501,180
Discontinued operations:				
Profit/ (loss) for the year from discontinued operations	**–**	–	**–**	–
Profit/(loss) for the year	**(3.62)**	2.70	**(1,957,703)**	1,501,180
Other comprehensive income for the year, net of tax	**–**	–	**–**	–
Total Comprehensive Income for the period, net of tax	**(3.62)**	2.70	**(1,957,703)**	1,501,180

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

a. Equity Share Capital:

Equity shares issued, subscribed and fully paid	Nos.	INR Crores	AED
At 1 January 2015	50,000	0.09	50,000
Issue of share capital (Note 17)	–	–	
At 31 December 2015	50,000	0.09	50,000
Issue of share capital (Note 17)	–	–	
At 31 December 2016	50,000	0.09	50,000

b. Other Equity:

For the year ended 31 December 2016

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)	
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores
As at 31st December 2015	–	–	–	–	–	–	(14.91)	–	(14.91)
Net Profit for the period							(3.62)		(3.62)
Translation reserve							(0.36)		(0.36)
Total comprehensive income	–	–	–	–	–	–	(3.97)	–	(3.97)
Dividends	–	–	–	–	–	–	–	–	–
Transfer from debenture redemption reserve	–	–	–	–	–	–	–	–	–
Transfer from Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–
Transfer to general reserve	–	–	–	–	–	–	–	–	–
Transfer to Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–
As at 31 December 2016	–	–	–	–	–	–	(18.89)	–	(18.89)

For the year ended 31 March 2016

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)	
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores
As at 1st January 2015	–	–	–	–	–	–	(16.82)	–	(16.82)
Net Profit for the period							2.70		2.70
Other comprehensive income							(0.80)		(0.80)
Total comprehensive income	–	–	–	–	–	–	1.90	–	1.90
Impact of translation of financials into INDAS									–
Dividends	–	–	–	–	–	–	–	–	–
Transfer from debenture redemption reserve	–	–	–	–	–	–	–	–	–
Transfer from Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–
Transfer to general reserve	–	–	–	–	–	–	–	–	–
Transfer to Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–
As at 31 December 2015	–	–	–	–	–	–	(14.91)	–	(14.91)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	31 March 2017 INR in Crores	31 March 2016 INR in Crores	**31 March 2017 AED**	31 March 2016 AED
Profit before tax	**(3.62)**	2.70	**(1,957,703.00)**	1,501,180.00
Adjustments to reconcile profit before tax to net cash flows:				
Provision for slowmoving inventories	**–**	0.15	**–**	84,135.00
Gain on disposal of property, plant and equipment	**(0.00)**	(0.08)	**(2,350.00)**	(46,400.00)
Excess provision written back	**–**	(0.41)	**–**	(228,184.00)
Depreciation on plant & equipment	**0.14**	0.23	**75,384.00**	125,596.00
Bad debts written off and provision for doubtful debts	**6.90**	–	**3,710,597**	
Working capital adjustments:				
(Increase)/decrease in trade receivables	**(6.63)**	(23.32)	**–3564900**	–12970469
Decrease in prepayments	**0.04**	0.50	**19928**	277344
(Increase)/decrease in staff end of service gratuity provision	**0.07**	0.00	**40016**	2201
Increase /(decrease) in trade payables, other current and non current liabilities and provisions	**6.40**	(3.61)	**3,440,762.00**	(2,006,036.00)
Net cash flows from operating activities	**3.30**	**(23.84)**	**1,761,734.00**	**(13,260,633.00)**
Investing activities				
Proceeds from sale of property, plant and equipment	**0.06**	0.03	**33,900.00**	14,850.00
Purchase of property, plant and equipment (including CWIP)	**(0.05)**	(0.57)	**(27,573.00)**	(317,649.00)
Deposits placed during the year	**(0.01)**	–	**(3,000.00)**	–
Net cash flows from / (used in) investing activities	**0.01**	**(0.54)**	**3,327.00**	**(302,799.00)**
Financing activities				
(Payments to) / receipts from Parent Company	**(6.40)**	12.06	**(3,439,989.00)**	6,705,229.00
Receipts from related parties	**4.18**	12.96	**2,245,975.00**	7,208,263.00
Net cash flows from / (used in) financing activities	**(2.22)**	**25.02**	**(1,194,014.00)**	**13,913,492.00**
Net increase / (decrease) in cash and cash equivalents	**1.09**	**0.63**	**571,047.00**	**350,060.00**
Translation effects	**0.01**	**0.06**	**–**	**–**
Cash and cash equivalents at the beginning of the year	**1.78**	1.09	**978,592.00**	628,532.00
Cash and cash equivalents at the end	**2.88**	**1.78**	**1,549,639.00**	**978,592.00**

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AND AS AT 31 DECEMBER 2016

Note 3: Property, plant and equipment

	Freehold land	Leasehold land	Buildings	Plant & machinery	Furniture & fixtures	Office equipments	Computers	Networking Assets	Test and Repair Equipments	Vehicles	Capital Work in Progress	Total	Plant & machinery	Furniture & fixtures	Office equipments	Computers	Total
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	AED	AED	AED	AED	AED
Cost																	
At 1 January 2015				0.01	0.05	0.03	0.04					0.14	7,343	30,092	15,971	25,387	78,793
Additions				–	0.51	0.01	–					0.52	–	294,423	3,649	–	298,072
Disposals				(0.01)	0.03	0.00	(0.00)					0.01	(7,343)			(2,168)	(9,511)
At 31 December 2015	–	–	–	–	0.59	0.04	0.04	–	–	–	–	0.67	–	324,515	19,620	23,219	367,354
Additions				–	–	–	0.05					0.05				27,573	27,573
Disposals				–	0.01	0.00	(0.02)					(0.00)				(8,647)	(8,647)
Discontinued operations (Note XX)												–					–
At 31 December 2016	–	–	–	–	0.60	0.04	0.08	–	–	–	–	0.72	–	324,515	19,620	42,145	386,280
Depreciation and impairment																	
At 1 January 2015				–	–	–	–					–	–	–	–	–	–
Depreciation charge for the year				–	0.11	0.02	0.03					0.16	–	65,830	12,704	17,974	96,508
Disposals				–	0.01	0.00	0.00					0.01					–
At 31 December 2015	–	–	–	–	0.12	0.02	0.03	–	–	–	–	0.18	–	65,830	12,704	17,974	96,508
Depreciation charge for the year**				–	0.12	0.01	0.01					0.14		64,903	5,926	4,555	75,384
Disposals				–	0.00	0.00	(0.02)					(0.01)				(8,647)	(8,647)
Discontinued operations												–					–
At 31 December 2016	–	–	–	–	0.24	0.03	0.03	–	–	–	–	0.30	–	130,733	18,630	13,882	163,245
Net Book Value																	
At 31 December 2016	–	–	–	–	0.36	0.00	0.05	–	–	–	–	0.41	–	193,782	990	28,263	223,035
At 31 December 2015	–	–	–	–	0.47	0.01	0.01	–	–	–	–	0.49	–	258,685	6,916	5,245	270,846
At 1 January 2015	–	–	–	0.01	0.05	0.03	0.04	–	–	–	–	0.14	7,343	30,092	15,971	25,387	78,793

Net Book Value

	At 31 December 2016	At 31 December 2015	At 1 January 2015
	INR in Crores	INR in Crores	INR in Crores
Plant, property and equipment	**0.41**	0.49	0.14
Capital Work in Progress	**–**	–	–

Note 8: Other non–current assets

	31 December 2016 INR in Crores	31 December 2015 INR in Crores	1 January 2015 INR in Crores	**31 December 2016 AED**	31 December 2015 AED	1 January 2015 AED
Advances other than capital advances						
Security Deposits	**0.04**	0.04	0.04	**24,000**	21,000	21,000
Others						
	0.04	0.04	0.04	**24,000**	21,000	21,000

Note 9: Inventories

	31 December 2016 INR in Crores	31 December 2015 INR in Crores	1 January 2015 INR in Crores	**31 December 2016 AED**	31 December 2015 AED	1 January 2015 AED
Finished goods (at lower of cost and net realisable value)			0.15			84,135
Total inventories at the lower of cost and net realisable value	**–**	**–**	**0.15**	**–**	**–**	**84,135**

Note 11: Trade and other receivables

	31 December 2016 INR in Crores	31 December 2015 INR in Crores	1 January 2015 INR in Crores	**31 December 2016 AED**	31 December 2015 AED	1 January 2015 AED
Trade receivables						
Receivables from an associate						
Receivables from other related parties		4.09	13.93		2,245,401	8,033,479
Total Trade and other receivables	**–**	**4.09**	**13.93**	**–**	**2,245,401**	**8,033,479**
Trade receivables						
Secured, considered good						
Unsecured, considered good		14.16	8.50		7,782,371	4,901,537
Doubtful	**2.70**		–	**1,451,766**		
	2.70	14.16	8.50	**1,451,766**	7,782,371	4,901,537
Other receivables						
Secured, considered good						
Unsecured, considered good						
Doubtful	**–**	–	–	**–**	–	–
Impairment Allowance (allowance for bad and doubtful debts)						
Unsecured, considered good	**(2.70)**		–	**(1,451,766)**		
Doubtful						
	(2.70)	–	–	**(1,451,766)**	–	–
Total trade receivables	**–**	**18.25**	**22.43**	**–**	**10,027,772**	**12,935,016**

Note 12: Cash and cash equivalents

	31 December 2016 INR in Crores	31 December 2015 INR in Crores	1 January 2015 INR in Crores	**31 December 2016 AED**	31 December 2015 AED	1 January 2015 AED
Balances with banks						
In current accounts	**2.88**	1.78	1.09	**1,549,639**	978,592	628,532
	2.88	1.78	1.09	**1,549,639**	978,592	628,532

Note 14: Other receivables

	31 December 2016 INR in Crores	31 December 2015 INR in Crores	1 January 2015 INR in Crores	**31 December 2016 AED**	31 December 2015 AED	1 January 2015 AED
Other receivables	**–**	0.06	–		31,550	–
Other loans and advances	**0.18**	0.19	1.54	**95,251**	104,610	887,365
	0.18	0.25	1.54	**95,251**	136,160	887,365

Note 16: Other current assets

	31 December 2016 INR in Crores	31 December 2015 INR in Crores	1 January 2015 INR in Crores	**31 December 2016 AED**	31 December 2015 AED	1 January 2015 AED
Others	**3.02**	8.68	0.03	**1,622,790**	4,771,430	16,384
	3.02	8.68	0.03	**1,622,790**	4,771,430	16,384

Note 14: Share Capital

Authorised Share Capital

	Equity shares		Equity
	No.	INR in Crores	AED
At 1 January 2015	50,000.00	0.09	50,000.00
Increase / (decrease) during the year	–	–	
At 31 December 2015	50,000.00	0.09	50,000.00
Increase / (decrease) during the year	–	–	
At 31 December 2016	50,000.00	0.09	50,000.00

Issued equity capital

	No.	INR in Crores	AED
At 1 January 2015	50,000.00	0.09	50,000.00
Changes during the year	–	–	
At 31 December 2015	50,000.00	0.09	50,000.00
Changes during the year	–	–	
At 31 December 2016	50,000.00	0.09	50,000.00

Note 15: Other equity

Balance in Statement of Profit and Loss

	INR in Crores	AED
At 1 January 2015	(16.82)	(9,695,883)
Add: Profit during the year	2.70	1,501,180
Less: Translation reserve	(0.80)	–
At 31 December 2015	(14.91)	(8,194,703)
Add: Profit during the year	(3.62)	(1,957,703)
Less: Translation reserve	(0.36)	–
At 31 December 2016	(18.89)	(10,152,406)

Total other equity

At 1 January 2015	(16.82)	(9,695,883)
At 31 December 2015	(14.91)	(8,194,703)
At 31 December 2016	(18.89)	(10,152,406)

Note 20: Trade payables

	31 Dec 2016 INR in Crores	31 Dec 2015 INR in Crores	1 Jan 2015 INR in Crores	**31 Dec 2016 AED**	31 Dec 2015 AED	1 Jan 2015 AED
Trade payables to related parties	**23.93**	41.31	30.30	**12,864,767**	22,699,501	17,469,396
	23.93	41.31	30.30	**12,864,767**	22,699,501	17,469,396

Note 22: Provisions

	31 Dec 2016 INR in Crores	31 Dec 2015 INR in Crores	1 Jan 2015 INR in Crores	**31 Dec 2016 AED**	31 Dec 2015 AED	1 Jan 2015 AED
Provision for Employee Benefits						
– Gratuity	**0.16**	0.08	0.08	**86,042**	46,026	43,825
	0.16	0.08	0.08	**86,042**	46,026	43,825

Note 25: Trade payables

	31 Dec 2016 INR in Crores	31 Dec 2015 INR in Crores	1 Jan 2015 INR in Crores	**31 Dec 2016 AED**	31 Dec 2015 AED	1 Jan 2015 AED
Trade payables	**0.61**	2.31	6.07	**327,848**	1,267,086	3,501,306
Trade payables to related parties	**0.63**	0.61	5.69	**338,464**	337,890	3,282,581
	1.24	2.92	11.77	**666,312**	1,604,976	6,783,887

Note 29: Revenue from operations

	31 December 2016 INR in Crores	31 December 2015 INR in Crores	**31 December 2016** AED	31 December 2015 AED
Rendering of Services				
– Telecom services	**17.63**	25.67	**9,548,351.00**	14,276,738.00
	17.63	25.67	**9,548,351.00**	14,276,738.00

Note 30: Other income

	31 December 2016 INR in Crores	31 December 2015 INR in Crores	**31 December 2016** AED	31 December 2015 AED
Gain on foreign currency transactions (Net)	**(0.72)**	(0.33)	**(387,492.00)**	(181,381.00)
Profit on sale of fixed assets	**0.00**	0.08	**2,350.00**	46,400.00
Other non–operating income	**0.06**	0.42	**34,537.00**	233,284.00
	(0.65)	0.18	**(350,605.00)**	98,303.00

Note 32: Purchases of stock–in–trade

	31 December 2016 INR in Crores	31 December 2015 INR in Crores	**31 December 2016** AED	31 December 2015 AED
Inventory at the beginning of the year				
Add: Purchases of stock in trade :	**8.14**	10.02	**4,407,945.00**	5,574,823.00
Add: Purchase of material (Other than for trade) and services:				
	8.14	10.02	**4,407,945.00**	5,574,823.00
Less: inventory at the end of the year				
Purchases of stock–in–trade	**8.14**	10.02	**4,407,945.00**	5,574,823.00

Note 34: Employee benefits expenses

	31 December 2016 INR in Crores	31 December 2015 INR in Crores	**31 December 2016** AED	31 December 2015 AED
Salaries, wages and bonus	**3.39**	8.86	**1,833,561.00**	4,926,161.00
	3.39	8.86	**1,833,561.00**	4,926,161.00

Note 36: Depreciation and amortization expense

	31 December 2016 INR in Crores	31 December 2015 INR in Crores	**31 December 2016** AED	31 December 2015 AED
Depreciation of tangible assets (note 3)	**0.14**	0.23	**75,384.00**	125,596.00
	0.14	0.23	**75,384.00**	125,596.00

Note 37: Other expenses

	31 December 2016 INR in Crores	31 December 2015 INR in Crores	**31 December 2016** AED	31 December 2015 AED
Business promotion expenses	**0.36**	0.15	**192,582.00**	85,500.00
Non network rent	**0.45**	1.45	**243,723.00**	807,174.00
Communication expenses	**0.10**	0.19	**55,313.00**	103,329.00
Bad debts / advances written off	**4.17**	–	**2,258,831.00**	–
Provision for bad and doubtful debts/advances	**2.68**	–	**1,451,766.00**	–
Legal and professional charges	**–**	0.15		84,567.00
Miscellaneous expenses	**1.17**	2.09	**636,344.00**	1,166,711.00
	8.93	4.03	**4,838,559.00**	2,247,281.00

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2016

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 BB1, Plot No. JLTE–PH2–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) The Ultimate Holding company is **GTL Limited**, India, a public limited liability company in India. The registered office of the Ultimate Holding company is Global Vision, Electronic Sadan No. 2, MIDC, TTC Industrial Area, Mahape, Navi Mumbai, Maharashtra, India 400 710.

2 Basis of preparation

a) Statement of compliance

These financial statements are prepared under the historical cost convention and in conformity with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and the requirements of Regulations No. 1/03 issued by Dubai Multi Commodities Centre Authority and International Financial Reporting Standards, read with UAE Federal Law No. (2) of 2015.

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

- IFRSs in Regulatory Deferred Accounts.
- Accounting for Acquisition of Interests in Joint Operations – Amendments to IFRS 11.
- Classification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 & 38.
- Equity method in separate financial statements – Amendments to IAS 27.
- Agriculture: Bearer Plants – Amendments to IAS 16 and IAS 41.
- Annual Improvements to IFRSs 2012–2014 cycle.
- Disclosure Initiative – Amendment to IAS 1.
- Investment entities: Applying the consolidation exception – Amendments to IFRS 10, IFRS 12 and IAS 28.

b) Going concern basis of accounting

At the end of the period, the Company had accumulated losses of AED 10,152,406, which has eroded its entire share capital. 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.

c) Functional and presentation currency

These financial statements have been presented in UAE Dirham (AED), being the currency of the primary economic environment in which the Company operates. The figures have been rounded off to the nearest UAE Dirham.

d) Use of significant estimates, assumptions and judgements

Based on the historical experience and reasonable expectations of future events, the management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and disclosure of contingencies and commitments. These relate to lives of items of property and equipment and their residual values, provision for doubtful trade receivables and provisions for staff end–of–service gratuity.

Impairment of assets

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

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

e) New and amended standards

Applicable from the current year

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

- IFRS 15 – Revenue from contracts with customers and associated amendments to various other standards. This establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 – Revenue, IAS 11 – Construction Contracts and IFRIC 13 – Customer Loyalty Programmes – Effective 1 January 2018.
- IFRS 16 – Leases – Effective date 1 January 2019.
- Recognition of Deferred Tax Assets for Unrealized losses – Amendments to IAS 12 – Effective Date 1 January 2017.
- Disclosure Initiative – Amendments to IAS 1.
- Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28.
- IFRS 9 Financial Instruments and associated amendments to various other standards – This standard published in July 2014 replaces the existing guidance in IAS 39 – Financial Instruments, Recognition and Measurements. This includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39 – Effective 1 January 2018.

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 18).

i) **Statement of cash flows**

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

j) **Non–derivative financial assets and liabilities**

– ***Receivables***

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

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

– ***Financial liabilities***

The financial liabilities comprise bank borrowings, trade and other payables, dues to related parties and Shareholder's current account.

Derecognition of financial assets and liabilities

The Company derecognizes a financial asset when its contractual rights to cash flows from the assets cease and any interest in such derecognised financial assets that is created or retained 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 20) 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 2,762,361 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

	2016 AED	2015 AED
Direct turnkey project expenses (Note 20)	**4,406,606**	3,878,117
Provision for slow–moving inventories (Note 14)	**–**	84,135
Direct labour costs (Note 10)	**1,240,863**	3,694,621
Vehicle rental charges	**1,339**	1,612,571
	5,648,808	9,269,444

7 Other income

	2016 AED	2015 AED
Excess provision written back	**–**	228,184
Gain on disposal of property and equipment	**2,350**	46,400
Miscellaneous income	**34,537**	5,100
	36,887	279,684

8 Selling expenses

	2016 AED	2015 AED
Staff salaries and benefits (Note 10)	**414,213**	492,616
Business promotion expenses	**192,582**	85,500
	606,795	578,116

9 Administrative expenses

	2016 AED	2015 AED
Staff salaries and benefits (Note 10)	**178,485**	738,924
Rent	**243,723**	807,174
Depreciation of property and equipment (Note 12)	**75,384**	125,596
Communication expenses	**55,313**	103,329
Group administrative overhead expenses allocated – (Note 20)	**–**	84,567
Other administrative expenses	**636,344**	1,166,711
	1,189,249	3,026,301

10 Staff costs

	2016 AED	2015 AED
Staff salaries and benefits	**1,793,545**	4,888,980
Staff end–of–service gratuity (Note 18)	**40,016**	37,181
	1,833,561	4,926,161
Included under:		
Cost of revenue (Note 6)	**1,240,863**	3,694,621
Selling expenses (Note 8)	**414,213**	492,616
Administrative expenses (Note 9)	**178,485**	738,924
	1,833,561	4,926,161

11 Other expenses

	2016 AED	2015 AED
Bad debts written off	**2,258,831**	–
Provision for doubtful debts {Note 15 (c)}	**1,451,766**	–
Foreign exchange losses (net)	**387,492**	181,381
	4,098,089	181,381

12 Property and equipment

(Furniture, fixtures and office equipment)

	2016 AED	2015 AED
Opening balance	**386,280**	367,354
Accumulated depreciation	**(163,245)**	(96,508)
Closing balance	**223,035**	270,846
Reconciliation of net book values		
Opening balance	**270,846**	78,793
Additions during the year	**27,573**	317,649
Disposal during the year		
– Cost	**(8,647)**	(59,028)
– Accumulated depreciation	**8,647**	59,028
Depreciation for the year (Note 9)	**(75,384)**	(125,596)
Closing balance	**223,035**	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

	2016 AED	2015 AED
Goods held for consumption	**84,135**	84,135
Less: Provision for slow–moving inventories (Note 6)	**(84,135)**	(84,135)
	–	–

15 Trade and other receivables

	2016 AED	2015 AED
Trade receivables	**1,451,766**	7,782,371
Less: Provision for doubtful debts	**(1,451,766)**	–
Trade receivables (net)	**–**	7,782,371
Deposits	**1,573,790**	1,652,500
Advance to a supplier {(a) (iii)}	**49,000**	3,118,930
Staff advances	**22,498**	11,929
Receivables from disposal of property and equipment	**–**	31,550
	1,645,288	12,597,280

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 a customer situated in Sultanate of Oman (previous year: five customers, out of which 77% due from a related party and 19% was due from a customer situated in Sultanate of Oman). During the year, an amount of AED 10,774,745 due from a related party based in Singapore (in the previous year: an amount of AED 5,840,000 due from a related party based in Kingdom of Saudi Arabia) was transferred to the Shareholder (Note 20 & Page 6).

iii) The advance to a supplier has been cleared subsequent to the end of reporting period on receipt of goods.

b) Currency risk

The Company sells services in foreign currencies. Exposure is minimized where possible by denominating such transactions in US Dollar to which the UAE Dirham is fixed. At the end of the reporting period, there was no exchange rate risk as all trade receivables are either denominated in UAE Dirham or US Dollar.

c) Impairment

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

	2016 AED	2015 AED
Neither past–due nor impaired (0–180 days)	**–**	6,295,205
Past–due but not considered impaired		
– 180 – 365 days	**–**	28,749
Above one year (refer Note below)	**1,451,766**	1,458,417
Total	**1,451,766**	7,782,371

The balance of AED 1,451,766 in the age–band of 'Above one year' is due from a customer in the Sultanate of Oman and the management has decided to provide for this debt as doubtful of recovery.

16 Cash and cash equivalents

	2016 AED	2015 AED
Cash on hand	**11,310**	17,882
Bank balances in current accounts	**1,538,329**	960,710
	1,549,639	978,592

The Company's bank accounts are placed with reputed banks. Bank balances include AED 160,599 denominated in Great Britain Pound Sterling (previous year: AED 49,511).

17 Share capital

	2016 AED	2015 AED
50 shares of AED 1,000 each	**50,000**	50,000

18 Provision for staff–of–service gratuity

	2016 AED	2015 AED
Opening balance	**46,026**	43,825
Add: Provision for the year (Note 10)	**40,016**	37,181
Less: Paid during the year	**–**	(34,980)
Closing balance	**86,042**	46,026

19 Trade and other payables

	2016 AED	2015 AED
Trade payables	**21,603**	818,871
Other payables and accrued expenses	**306,245**	448,215
	327,848	1,267,086

Other payables and accrued expenses includes provision for cost of revenue of AED 120,202 (previous year: AED 215,547).

20 Related parties

Related parties which fall within the definition of a related party as contained in International Accounting Standard 24 comprises the Parent company, the Ultimate Holding company and fellow subsidiaries, being the companies under common ownership and common management control. At the end of the reporting period, significant balances with related parties were as follows:

Fellow subsidiaries

Included in trade receivables:		
GTL Singapore Pte. Ltd., Singapore {Note 15 (a) (ii)}	**–**	5,977,550
Disclosed as due from a related party:		
GTL Saudi Arabia Company Limited, KSA	**–**	2,245,401
Disclosed as dues to related parties:		
GTL Limited, India (Ultimate Holding company)	**224,778**	224,204
GTL ADACELL India Limited, India	**113,686**	113,686
	338,464	337,890

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

Parent company

Current account (Page 6)	**12,864,767**	22,699,501

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

Fellow subsidiaries

Revenue	**9,548,351**	8,197,608

Parent company

Direct turnkey project expenses included in cost of revenue (Note 6)	**4,380,000**	–
Fellow subsidiary balance included in trade receivables transferred {Note 15 (a) (ii) & Page 6}	**10,774,745**	5,840,000
Group administrative overhead expenses allocated (Note 9)	**–**	84,567
Credit balance of a fellow subsidiary assumed (Page 6)	**–**	18,551,691

21 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.

22 Approval of financial statements

These financial statements were approved by the Board of Directors and authorised for issue on 26 February 2017.

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

Vipulkumar Patel	**Sandhya Patel**
Director	**Director**

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors present their strategic report for the year ended 31 December 2016.

Principal activity

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

Fair review of the business

Throughout the year, even though there have been challenges in the market place as a result of Operator strategy changes, price pressure and technology deployment delays, the Company has performed well by having a stable business. The existing contracts have been sustained, and new customers added, giving a sound platform for next level of growth.

The turnover of the Company increased from £22,423,090 in year 2015 to £24,472,232 in year 2016, with operating profit increasing from £1,686,333 to £1,813,256.

Key Performance Indicators (KPIs)

KPIs used by Management are Gross Margin and Operating Profit, which can be determined from the information on Page 8.

Marketplace Overview

There has been significant amount of business available through network change in addition to new technology being implemented – such as 4G / LTE. This includes re–dimensioning the existing networks, or changing the current infrastructure to meet increasing customer needs. There has been lot of buzz around 5G, though it is assumed that this will not be rolled out until 2018 at the earliest. The market is seen bracing for IOT and it will be an interesting area for the Company to carve a niche in the sphere of Device Management, Sensor Management, Data Analytics etc.

The Company has focussed particularly this year on expanding its customer base and also defending numerous rounds of pricing pressures from its customers. In continuation from the previous year where we are now focussed on supporting Tier 1 Operators, particularly where we grew EE as a direct customer for significant business levels as compared to previous years.

Nokia remains the largest customer to date in the UK, though EE has overtaken Ericsson as our second largest customer.

The Company is extremely pleased to have Telefónica (O2) & Sure Telecom as new direct customers.

Market Risk

The main risks facing the Company are:

- Continual price pressure from end customers
- Lack of new business entering the market – new technology deployment 5G etc.
- Existing customers off shoring or setting up subsidiary companies to support the work in direct competition
- The extended payment terms requested by customers

Financial Risk

The Company has got positive cash flow and payment terms with major customers as well as with contractors are fixed. The Company is not expecting a change to those payment terms, hence do not foresee any major financial risk in the immediate future.

Principal risks and uncertainties

The directors monitor performance through the production of management accounts on a monthly basis. Additionally, the directors monitor key performance indicators on a monthly basis to ensure they are within acceptable parameters. These include gross margins, operating profits, earnings before interest, tax, working capital, customer service and cash flows from operating activities.

Future developments

There is consolidation happening in the telecom sector. Although we do not expect any reduction in spending by telecom operators, we are not expecting a major surge either, because most operators are have been cautious in spending money for new technology roll out. Operators will be looking to consolidate to fewer vendors, but the Company is well placed to take advantage of any opportunities arising out of these developments.

Strategy

In the subsequent years the Company will focus on stability, growth and innovation on a strategic level as follows:

Stability

The company aims to:

- Ensure security and stability of existing projects
- Expand the existing model to challenge competitors carrying out similar business
- Identify new areas of business and shape the business accordingly

Growth

The company aims to:

- Set up a Professional Services Division to address manpower requirements across diverse projects
- Sell similar services to other customers
- Expand on current projects
- Focus on high–end services in Network Planning, Design & Optimisation
- Tie–ups in pipeline with Application Providers

Innovation

The Company aims to:

- Be a true white label service provider
- Position new offerings in liaison with software/application providers for Optimisation, Benchmarking and Customer

Experience Management

- Identify Synergies and Consolidate Managed Services
- Prepare cutting–edge offerings in the field of IOT and Automation

Approved by the Board on 8 March 2017 and signed on its behalf by:

Mr Neeraj Satpall
Director

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors present their report and the financial statements for the year ended 31 December 2016.

Directors of the Company

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

Mr Neeraj Satpall

Mr Pinakin Gandhi

Dividends

Dividends proposed at the year end date amounted to £1,000,000 (2015: £600,000).

Future Developments

Please refer to the Strategic Report on page 3.

Financial Instruments

Please refer to the Accounting policies.

Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re–appointment of Kajaine Limited as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 8 March 2017 and signed on its behalf by:

Mr Neeraj Satpall
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF STRATEGIC REPORT, DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102, ' The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT

To the Members of GTL Europe Limited

We have audited the financial statements of GTL Europe Limited for the year ended 31 December 2016, set out on pages 8 to 22. 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) including Financial Reporting Standard 102, ' The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 in respect of Strategic report, Directors' Report and the Financial statements (set out on page 5), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law 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 to the financial statements.

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 accounting 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 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 of the state of the Company's affairs as at 31 December 2016 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 year 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

8 March 2017

BALANCE SHEET AS AT 31 DECEMBER, 2016

	As at 31 Dec 2016 INR Crores	As at 31 Dec 2015 INR Crores	As at 1 Jan 2015 INR Crores	**As at 31 Dec 2016 GBP**	As at 31 Dec 2015 GBP	As at 1 Jan 2015 GBP
Assets						
Non–current assets						
Property, plant and equipment	**0.40**	0.18	0.10	**59,316.00**	26,778.00	15,047.00
Capital work–in–progress	**–**	–	–	**–**	–	–
Investment properties	**–**	–	–	**–**	–	–
Intangible assets	**–**	–	–	**–**	–	–
Intangible assets under development	**–**	–	–	**–**	–	–
Financial assets						
Investments	**0.00**	0.00	0.00	**2.00**	2.00	2.00
Loans	**–**	–	–	**–**	–	–
Other financial assets	**–**	–	–	**–**	–	–
Deferred tax assets (net)	**–**	–	–	**–**	–	–
Other non–current assets	**–**	–	–	**–**	–	–
	0.40	0.18	0.10	**59,318.00**	26,780.00	15,049.00
Current assets						
Inventories	**–**	0.02	0.04	**–**	3,243.00	6,348.00
Financial assets						
Investments	**–**	–	–	**–**	–	–
Trade receivables	**39.53**	23.11	9.15	**5,820,597.00**	3,478,157.00	1,444,942.00
Cash and cash equivalents	**12.02**	16.29	34.35	**1,770,263.00**	2,452,846.00	5,424,943.00
Bank balance other than included in Cash and cash equivalents above	**–**	–	–	**–**	–	–
Other receivables	**–**	–	–	**–**	–	–
Loans	**–**	–	–	**–**	–	–
Other financial assets	**–**	–	–	**–**	–	–
Current Tax Assets (Net)	**–**	–	–	**–**	–	–
Other current assets	**–**	–	–	**–**	–	–
	51.55	39.42	43.53	**7,590,860.00**	5,934,246.00	6,876,233.00
Assets classified as held for sale						
	51.55	39.42	43.53	**7,590,860.00**	5,934,246.00	6,876,233.00
Total Assets	**51.95**	39.60	43.63	**7,650,178.00**	5,961,026.00	6,891,282.00
				7,650,126.05	5,960,986.40	6,891,238.37
Equity and liabilities						
Equity						
Equity Share Capital	**3.40**	3.32	3.17	**500,000**	500,000	500,000
Other Equity	**2.36**	3.99	5.75	**347,533**	601,230	907,679
Total Equity	**5.76**	7.32	8.91	**847,533**	1,101,230	1,407,679
Non–current liabilities:						
Financial liabilities						
Borrowings	**–**	–	–	**–**	–	–
Trade payables	**–**	–	–	**–**	–	–
Other financial liabilities	**–**	–	–	**–**	–	–
Provisions	**–**	–	–	**–**	–	–
Deferred tax liabilities (net)	**–**	–	–	**–**	–	–
Other non–current liabilities	**–**	–	–	**–**	–	–
	–	–	–	**–**	–	–
Current liabilities:						
Financial liabilities						
Borrowings	**–**	–	–	**–**	–	–
Trade payables	**46.20**	32.28	34.72	**6,802,645.00**	4,859,796.00	5,483,603.00
Other financial liabilities	**–**	–	–	**–**	–	–
Other current liabilities	**–**	–	–	**–**	–	–
Provisions	**–**	–	–	**–**	–	–
Current tax liabilities (net)						
	46.20	32.28	34.72	**6,802,645.00**	4,859,796.00	5,483,603.00
Total liabilities	**46.20**	32.28	34.72	**6,802,645.00**	4,859,796.00	5,483,603.00
Total equity and liabilities	**51.95**	39.60	43.63	**7,650,178.00**	5,961,026.00	6,891,282.00

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

	Year ended 31 Dec 2016 INR Crores	Year ended 31 Dec 2015 Restated* INR Crores	Year ended 31 Dec 2016 GBP	Year ended 31 Dec 2015 Restated* GBP
Continuing operations				
Revenue from operations	**211.14**	223.99	**24,472,232.00**	22,423,090.00
Other income	**0.00**	-	**3.00**	-
TOTAL INCOME	**211.14**	223.99	**24,472,235.00**	22,423,090.00
EXPENSES				
Cost of materials consumed	**175.54**	183.67	**20,346,217.00**	18,386,326.00
Purchases of stock-in-trade	**-**	-	**-**	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	**-**	-	**-**	-
Employee benefits expenses	**9.30**	12.75	**1,077,502.00**	1,276,193.00
Finance costs	**0.83**	1.62	**96,068.00**	162,430.00
Depreciation and amortisation expenses	**0.49**	0.25	**56,394.00**	24,877.00
Other expenses	**9.34**	9.51	**1,082,798.00**	951,531.00
TOTAL EXPENSES	**195.50**	207.80	**22,658,979.00**	20,801,357.00
Profit/(loss) before exceptional items and tax from continuing operations	**15.64**	16.19	**1,813,256.00**	1,621,733.00
Exceptional items				
Profit/(loss) before tax from continuing operations	**15.64**	16.19	**1,813,256.00**	1,621,733.00
Tax expenses				
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**15.64**	16.19	**1,813,256.00**	1,621,733.00
Discontinued operations:				
Profit/(loss) for the year	**15.64**	16.19	**1,813,256.00**	1,621,733.00
			-	-
Other Comprehensive Income				
Other comprehensive income for the year, net of tax	**-**	-	**-**	-
Total Comprehensive Income for the period, net of tax	**15.64**	16.19	**1,813,256.00**	1,621,733.00

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

a. Equity Share Capital:

	No.	INR Crores
At 1 April 2015	500,000	3.17
Issue of share capital (Note 17)	–	–
At 31 March 2016	500,000	3.32
Issue of share capital (Note 17)	–	–
At 31 March 2017	500,000	3.40

b. Other Equity:

For the year ended 31 December 2016

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)	
As at 31st December 2015	**–**	**–**	**–**	**–**	**–**	**–**	**3.99**	**–**	**–**
Net Profit for the period							15.64		–
Other comprehensive income									–
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**15.64**	**–**	**–**
Dividends	–	–	–	–	–	–	17.27	–	–
Transfer from debenture redemption reserve	–	–	–	–	–	–	–	–	–
Transfer from Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–
Transfer to general reserve	–	–	–	–	–	–	–	–	–
Transfer to Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–
As at 31 December 2016	**–**	**–**	**–**	**–**	**–**	**–**	**2.36**	**–**	**–**

For the year ended 31 December 2015

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)	
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores
As at 1st January 2015	**–**	**–**	**–**	**–**	**–**	**–**	**5.75**	**–**	**–**
Net Profit for the period							16.19		–
Other comprehensive income									–
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**16.19**	**–**	**–**
Impact of translation of financials into INDAS									–
Dividends	–	–	–	–	–	–	17.95	–	–
Transfer from debenture redemption reserve	–	–	–	–	–	–	–	–	–
Transfer from Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–
Transfer to general reserve	–	–	–	–	–	–	–	–	–
Transfer to Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–
As at 31 December 2015	**–**	**–**	**–**	**–**	**–**	**–**	**3.99**	**–**	**–**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	31 Dec 2016	31 Dec 2015	**31 Dec 2016**	31 Dec 2015
	INR in Crores	INR in Crores	**GBP**	GBP
Operating activities				
Profit before tax from continuing operations	**15.12**	15.97	**1,813,256**	1,621,733
Profit/(loss) before tax from discontinued operations	**–**	–	**–**	–
Profit before tax	**15.12**	15.97	**1,813,256**	1,621,733
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and impairment of property, plant and equipment	**0.47**	0.24	**56,394**	24,877
Finance costs (including fair value change in financial instruments)	**–**	0.64	**–**	64,600
Provision for current tax (net of MAT credit entitlement)	**(3.06)**	(3.23)	**(366,953)**	(328,I182)
Exceptional Items :				
Suppliers Claim – Continuing operations	**–**	–	**–**	–
Working capital adjustments:				
(Increase)/decrease in trade receivables	**(19.53)**	(20.02)	**(2,342,440)**	(2,033,215)
(Increase)/decrease in inventories	**0.03**	0.03	**3,243**	3,105
Increase /(decrease) in trade payables, other current and non current liabilities and provisions	**16.20**	17.19	**1,942,848**	1,746,193
	9.23	10.82	**1,106,348**	1,099,111
Net cash flows from operating activities	**9.23**	10.82	**1,106,348**	1,099,111
Investing activities				
Purchase of property, plant and equipment (including CWIP)	**(0.74)**	(0.36)	**(88,931)**	(36,608)
Net cash flows from / (used in) investing activities	**(0.74)**	(0.36)	**(88,931)**	(36,608)
Financing activities				
Repayment of short term borrowings	**–**	(23.33)	**–**	(2,370,000)
Payment of dividend	**(14.18)**	(15.75)	**(1,700,000)**	(1,600,000)
Payment of interest	**–**	–	**–**	(64,600)
Net cash flows from / (used in) financing activities	**(14.18)**	**(39.09)**	**(1,700,000)**	**(4,034,600)**
Net increase / (decrease) in cash and cash equivalents	**(5.69)**	**(28.63)**	**(682,583)**	**(2,972,097)**
Cash and cash equivalents at the beginning of the year	**16.29**	34.35	**2,452,846**	**5,424,943**
Cash and cash equivalents at the end	**12.02**	**16.29**	**1,770,263**	**2,452,846**

SCHEDULES TO THE FINANCIALS FOR THE YEAR ENDED AND AS AT 31 DECEMBER 2016

3. PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

	Freehold land	Leasehold land	Buildings	Plant & machinery	Furniture & fixtures	Office equipments	Computers	Networking Assets	Test and Repair Equipments	Vehicles	Capital Work in Progress	Total
Cost												
At 1 Jan 2015	–	–	–	–	0.50	–	–	–	–	–	–	0.50
Additions	–	–	–	–	0.24	–	–	–	–	–	–	0.24
Disposals	–	–	–	–	–	–	–	–	–	–	–	–
At 31 Dec 2015	–	–	–	–	0.76	–	–	–	–	–	–	0.76
Additions	–	–	–	–	0.60	–	–	–	–	–	–	0.60
Disposals	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued operations (Note XX)	–	–	–	–	–	–	–	–	–	–	–	–
At 31 Dec 2016	–	–	–	–	1.39	–	–	–	–	–	–	1.39
Depreciation and impairment												
At 1 Jan 2015	–	–	–	–	0.40	–	–	–	–	–	–	0.40
Depreciation charge for the year	–	–	–	–	0.17	–	–	–	–	–	–	0.17
Disposals	–	–	–	–	–	–	–	–	–	–	–	–
At 31 Dec 2015	–	–	–	–	0.59	–	–	–	–	–	–	0.59
Depreciation charge for the year**	–	–	–	–	0.38	–	–	–	–	–	–	0.38
Disposals	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued operations	–	–	–	–	–	–	–	–	–	–	–	–
At 31 Dec 2016	–	–	–	–	0.98	–	–	–	–	–	–	0.98
Net Book Value												
At 31 Dec 2016	–	–	–	–	0.40	–	–	–	–	–	–	0.40
At 31 Dec 2015	–	–	–	–	0.18	–	–	–	–	–	–	0.18
At 1 Jan 2015	–	–	–	–	0.10	–	–	–	–	–	–	0.10

Net Book Value

	At 31 Dec 2016 INR in Crores	At 31 Dec 2015 INR in Crores	At 1 Jan 2015 INR in Crores	At 31 Dec 2016 GBP	At 31 Dec 2015 GBP	At 1 Jan 2015 GBP
Plant, property and equipment	0.40	0.18	0.10	59,316.00	26,778.00	15,047.00
Capital Work in Progress	–	–	–	–	–	–

GBP

	Freehold land	Leasehold land	Buildings	Plant & machinery	Furniture & fixtures & Eqipment	Office equipments	Computers	Networking Assets	Test and Repair Equipments	Vehicles	Capital Work in Progress	Total
Cost												
At 1 Jan 2015					78,427.00							78,427.00
Additions					36,609.00							36,609.00
Disposals												–
At 31 Dec 2015	–	–	–	–	115,036.00	–	–	–	–	–	–	115,036.00
Additions					88,931.00							88,931.00
Disposals												–
Discontinued operations (Note XX)												–
At 31 Dec 2016	–	–	–	–	203,967.00	–	–	–	–	–	–	203,967.00
Depreciation and impairment												
At 1 Jan 2015					63,380.00							63,380.00
Depreciation charge for the year					24,877.00							24,877.00
Disposals												–
At 31 Dec 2015	–	–	–	–	88,257.00	–	–	–	–	–	–	88,257.00
Depreciation charge for the year**					56,394.00							56,394.00
Disposals												–
Discontinued operations												–
At 31 Dec 2016	–	–	–	–	144,651.00	–	–	–	–	–	–	144,651.00
Net Book Value							–					
At 31 Dec 2016	–	–	–	–	59,316.00	–	–	–	–	–	–	59,316.00
At 31 Dec 2015	–	–	–	–	26,778.00	–	–	–	–	–	–	26,779.00
At 1 Jan 2015	–	–	–	–	15,047.00	–	–	–	–	–	–	15,047.00

7. **FINANCIAL ASSETS**

	31 Dec 2016	31 Dec 2015	1 Jan 2015	**31 Dec 2016**	31 Dec 2015	1 Jan 2015
	INR in Crores	INR in Crores	INR in Crores	**GBP**	GBP	GBP
Investments						
Non– Trade						
Unquoted						
Investment in Equity Instruments– Subsidiaries (iGTL Myanmar :Ltd)	**0.00**	0.00	0.00	**2.00**	2.00	2.00
Total Investments	**0.00**	**0.00**	**0.00**	**2.00**	**2.00**	**2.00**

9. **INVENTORIES**

	31 Dec 2016	31 Dec 2015	1 Jan 2015	**31 Dec 2016**	31 Dec 2015	1 Jan 2015
	INR in Crores	INR in Crores	INR in Crores	**GBP**	GBP	GBP
Finished goods (at lower of cost and net realisable value)	**–**	0.02	0.04	**–**	3,243.00	6,348
Total inventories at the lower of cost and net realisable value	**–**	**0.02**	**0.04**	**–**	**3,243.00**	**6,348.00**

11. **TRADE AND OTHER RECEIVABLES**

	31 Dec 2016	31 Dec 2015	1 Jan 2015	**31 Dec 2016**	31 Dec 2015	1 Jan 2015
	INR in Crores	INR in Crores	INR in Crores	**GBP**	GBP	GBP
Trade receivables						
Secured, considered good						
Unsecured, considered good	**31.87**	17.09	5.82	**4,693,262.00**	2,572,085.00	919,620.00
	31.87	**17.09**	**5.82**	**4,693,262.00**	**2,572,085.00**	**919,620.00**
Other receivables						
Secured, considered good						
Unsecured, considered good	**7.66**	6.02	3.33	**1,127,335.00**	906,072.00	525,322.00
	7.66	**6.02**	**3.33**	**1,127,335.00**	**906,072.00**	**525,322.00**
Total trade receivables	**39.53**	**23.11**	**9.15**	**5,820,597.00**	**3,478,157.00**	**1,444,942.00**

12. **CASH AND CASH EQUIVALENTS**

	31 Dec 2016	31 Dec 2015	1 Jan 2015	**31 Dec 2016**	31 Dec 2015	1 Jan 2015
	INR in Crores	INR in Crores	INR in Crores	**GBP**	GBP	GBP
Balances with banks						
In current accounts	**12.02**	16.29	34.35	**1,770,263.00**	2,452,846.00	5,424,943.00
	12.02	**16.29**	**34.35**	**1,770,263.00**	**2,452,846.00**	**5,424,943.00**

14. **SHARE CAPITAL**

Authorised Share Capital

	Equity shares		
	No.	**INR in Crores**	**GBP**
At 1 January 2015	500,000	3.17	500,000
Increase / (decrease) during the year	–	–	–
At 31 December 2015	500,000	3.32	500,000
Increase / (decrease) during the year	–	–	–
At 31 December 2016	500,000	3.40	500,000

Issued equity capital

	No.	INR in Crores	GBP
At 1 Jan 2015	500,000	3.17	500,000
Changes during the year	–	–	–
At 31 Dec 2015	500,000	3.32	500,000
Changes during the year	–	–	–
At 31 Dec 2016	500,000	3 .40	500,000

15. OTHER EQUITY

Balance in Statement of Profit and Loss

	INR in Crores	GBP
At 1 Jan 2015	5.75	907,679
Add: Profit during the year	(2.04)	(306,449)
At 31 Dec 2015	3.99	601,230
Add: Profit during the year	(1.72)	(253,697)
At 31 Dec 2016	2.36	347,533
Total other equity		
At 1 Jan 2015	5.75	907,679
At 31 Dec 2015	3.99	601,230
At 31 Dec 2016	2.36	347,533

20. TRADE PAYABLES

	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	INR in Crores	INR in Crores	GBP	GBP
Trade payables	32.28	34.72	6,802,645	4,859,796
	32.28	34.72	6,802,645	4,859,796

29. REVENUE FROM OPERATIONS

	31 Dec 2016 INR in Crores	31 Dec 2015 INR in Crores	31 Dec 2016 GBP	31 Dec 2015 GBP
Rendering of Services	–	–		
Telecom services	211.14	223.99	24,472,232.00	22,423,090.00
Others	–	–		
	211.14	223.99	24,472,232.00	22,423,090.00

30. OTHER INCOME

	31 Dec 2016 INR in Crores	31 Dec 2015 INR in Crores	31 Dec 2016 GBP	31 Dec 2015 GBP
Other non–operating income (Dividend)	0.00	–	3.00	–
	0.00	**–**	**3.00**	**–**

31. COST OF MATERIALS CONSUMED

	31 Dec 2016 INR in Crores	31 Dec 2015 INR in Crores	31 Dec 2016 GBP	31 Dec 2015 GBP
Raw Material Consumed	–	–	–	–
Inventory at the beginning of the year	–	–	–	–
Add: Purchases	175.54	183.67	20,346,217.00	18,386,326.00
	175.54	183.67	20,346,217.00	18,386,326.00
Less: inventory at the end of the year	–	–	–	–
Cost of raw material and components consumed	**175.54**	**183.67**	**20,346,217.00**	**18,386,326.00**

34. EMPLOYEE BENEFITS EXPENSES

	31 Dec 2016 INR in Crores	31 Dec 2015 INR in Crores	31 Dec 2016 GBP	31 Dec 2015 GBP
Salaries, wages and bonus	7.93	11.13	919,658.00	1,114,573.00
Contribution to provident and other funds	0.97	1.12	112,567.00	111,921.00
Staff welfare expense	0.26	0.34	30,482.00	33,864.00
Recruitment and training	0.13	0.16	14,795.00	15,835.00
	9.30	12.75	1,077,502.00	1,276,193.00

35. FINANCE COSTS

	31 Dec 2016 INR in Crores	31 Dec 2015 INR in Crores	31 Dec 2016 GBP	31 Dec 2015 GBP
Interest				
– On fixed period loan	–	0.65	–	64,600.00
– Others	0.83	0.98	95,856.00	97,790.00
Exchange difference to the extent considered as an adjustment to borrowing cost	0.00	0.00	212.00	40.00
Total finance cost	**0.83**	**1.62**	**96,068.00**	**162,430.00**

36. DEPRECIATION AND AMORTIZATION EXPENSE

	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	INR in Crores	INR in Crores	GBP	GBP
Depreciation of tangible assets (note 3)	0.49	0.25	56,394.00	24,877.00
	0.49	**0.25**	**56,394.00**	**24,877.00**

37. OTHER EXPENSES

	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	INR in Crores	INR in Crores	GBP	GBP
Repairs and maintenance				
Plant and machinery	0.47	0.57	54,268.00	56,739.00
Others	0.40	0.20	46,462.00	20,277.00
Other insurance	0.31	0.34	35,934.00	34,034.00
Non network rent	1.11	1.09	129,000.00	109,305.00
Rates and taxes	0.19	0.22	21,505.00	21,823.00
Electricity	0.04	0.03	4,689.00	3,328.00
Printing and stationery	0.06	0.12	6,613.00	12,169.00
Communication expenses	0.26	0.29	29,692.00	28,749.00
Travelling and conveyance	0.38	0.65	44,353.00	65,227.00
Bank charges	0.00	0.12	15.00	11,780.00
Directors' sitting fees / Management Charges	3.63	4.54	420,626.00	454,882.00
Legal and professional charges	1.74	0.65	201,893.00	64,603.00
Audit fees	0.19	0.27	21,750.00	27,300.00
Miscellaneous expenses	0.57	0.41	65,998.00	41,315.00
	9.34	**9.51**	**1,082,798.00**	**951,531.00**
Payments to the auditor:				
As auditor				
Audit fee	0.15	0.16	17,500.00	16,500.00
In other capacity:				
Taxation matters	0.01	0.00	750.00	500.00
Company law matters	0.03	0.03	3,500.00	3,000.00
Other services (certification fees)	–	0.07		7,300.00
	0.19	0.27	21,750.00	27,300.00

NOTES ON THE ACCOUNTS FOR THE YEAR ENDING DECEMBER 31,2016

1 General information

The company is a private company limited by share capital incorporated in UK.

The address of its registered office is:

Global House, Spitfire Close
Ermine Business Park
Huntingdon
PE29 6YA

These financial statements were authorised for issue by the Board on 8 March 2017.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), and the Companies Act 2006.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 24 for an explanation of the transition.

The company has taken advantage of the exemption in FRS 102 from the requirement to produce a cashflow statement on the grounds that it is a subsidiary undertaking where 90% or more of the voting rights are held within the group.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Exemption from preparing group accounts

The financial statements contain information about GTL Europe Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, GTL International Limited, a company incorporated in India.

Revenue recognition

The turnover shown in the profit and loss account represents amounts invoiced during the year exclusive of Value Added Tax. Revenue from services rendered is recognised as the service is performed. Income from Turnkey projects is recognised as a percentage and in proportion to work completion. However, in cases of contracts where consideration is separately defined/identified for supply of goods/materials whose distinct identity remains even after project completion, revenue is recognised based on delivery at site to the customers. In case of fixed–price contracts, revenue is recognised based on the milestones achieved as specified in the contracts.

Foreign currency transactions and balances

Functional and presentational currency

The company's functional and presentational currency is UK Sterling.

Transactions and balances

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

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

Investments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short–term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non–current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other debtors and creditors, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

Debt instruments that are payable or receivable within one year, typically trade creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short–term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms of financed at a rate of interest that is not a market rate or in case of an out–right short term loan not at a market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss if recognised in the Profit and loss account.

For financial assets measured as amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discounted rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured as cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	Year ended 31 December 2016 £	31 December 2014 to 31 December 2015 £
Rendering of services	24,472,232	22,423,090

The analysis of the company's turnover for the year by market is as follows:

	Year ended 31 December 2016 £	31 December 2014 to 31 December 2015 £
UK	8,422,233	5,019,455
Europe	16,049,999	17,403,635
	24,472,232	22,423,090

4 Operating profit

Arrived at after charging/(crediting)

	Year ended 31 December 2016 £	31 December 2014 to 31 December 2015 £
Depreciation expense	56,394	24,877
Foreign exchange losses	212	40
Operating lease expense – plant and machinery	33,131	42,553

5 Interest payable and similar charges

	Year ended 31 December 2016 £	31 December 2014 to 31 December 2015 £
Interest expense on other finance liabilities	–	64,600

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	Year ended 31 December 2016 £	31 December 2014 to 31 December 2015 £
Wages and salaries	3,555,560	3,773,660
Social security costs	412,513	411,346
Other short–term employee benefits	22,471	17,606
Pension costs, defined contribution scheme	31,541	31,817
Redundancy costs	12,793	13,400
Other employee expense	10,013	18,693
	4,044,891	4,266,522

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

	Year ended 31 December 2016 £	31 December 2014 to 31 December 2015 £
Production	62	65
Administration and support	11	9
Sales	4	5
	77	79

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	Year ended 31 December 2016 £	31 December 2014 to 31 December 2015 £
Remuneration	221,371	219,182

In respect of the highest paid director:

	Year ended 31 December 2016 £	31 December 2014 to 31 December 2015 £
Remuneration	221,371	219,182

8 Auditors' remuneration

	Year ended 31 December 2016 £	31 December 2014 to 31 December 2015 £
Audit of the financial statements	17,500	16,500
Other fees to auditors		
Taxation compliance services	750	500
All other assurance services	3,500	3,000
	4,250	3,500

9 Taxation

Tax charged/(credited) in the income statement

	Year ended 31 December 2016 £	31 December 2014 to 31 December 2015 £
Current taxation		
UK corporation tax	366,953	328,182

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2015 – higher than the standard rate of corporation tax in the UK) of 20% (2015 – 20%).

The differences are reconciled below:

	Year ended 31 December 2016 £	31 December 2014 to 31 December 2015 £
Profit before tax	1,813,256	1,621,733
Corporation tax at standard rate	362,651	324,347
Effect of expense not deductible in determining taxable profit (tax loss)	13,326	5,027
Tax increase (decrease) from effect of capital allowances and depreciation	(8,976)	(5,232)
Other tax effects for reconciliation between accounting profit and tax expense (income)	(48)	4,040
Total tax charge	**366,953**	**328,182**

10 Tangible assets

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 January 2016	115,036	115,036
Additions	88,931	88,931
At 31 December 2016	**203,967**	**203,967**
Depreciation		
At 1 January 2016	88,257	88,257
Charge for the period	56,394	56,394
At 31 December 2016	**144,651**	**144,651**
Carrying amount		
At 31 December 2016	**59,316**	**59,316**
At 31 December 2015	**26,778**	**26,778**

11 Investments held as fixed assets

	31 December 2016 £	31 December 2015 £
Investments in subsidiaries	1	1
Other investments	1	1
	2	2

Subsidiaries	£
Cost or valuation	
At 1 January 2016	1
Provision	
Carrying amount	
At 31 December 2016	1
At 31 December 2015	1

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2016	2015
Subsidiary undertakings				
GTL International Bangladesh Private Limited	Bangladesh	Ordinary share capital	100%	100%
The principal activity of GTL International Bangladesh Private Limited is telecommunication engineering services and consultancy				

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

12 Other financial assets (current and non–current)

	31 December 2016 £	31 December 2015 £
Non–current financial assets		
Financial assets at cost less impairment	1	1

13. Stocks

	31 December 2016 £	31 December 2015 £
Raw materials	–	3,243

14 Debtors

	Note	31 December 2016 £	31 December 2015 £
Trade debtors		4,693,262	2,572,085
Amounts owed by group undertakings	21	–	90,395
Other debtors		64,747	19,818
Prepayments and accrued income		1,062,588	795,859
Total current trade and other debtors		**5,820,597**	**3,478,157**

15 Cash and cash equivalents

	31 December 2016 £	31 December 2015 £
Cash at bank	1,770,263	2,452,846

16 Creditors

	Note	31 December 2016 £	31 December 2015 £
Due within one year			
Trade creditors		2,650,022	1,858,025
Amounts due to group undertakings	21	148,325	–
Social security and other taxes		99,178	443,345
Other creditors		45,726	12,272
Accruals and deferred income		3,492,441	2,217,972
Corporation tax	9	366,953	328,182
		6,802,645	**4,859,796**

17 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £31,541 (2015 – £31,817).

18 Share capital

Allotted, called up and fully paid shares

	31 December 2016		31 December 2015	
	No.	£	No.	£
Ordinary shares of £1 each	500,000	500,000	500,000	500,000

19 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	10,475	32,700
Later than one year and not later than five years	45,000	45,000
	55,475	**77,700**

The amount of non–cancellable operating lease payments recognised as an expense during the year was £55,475 (2015 – £77,700).

20 Dividends

	31 December 2016 £	31 December 2015 £
Interim dividend of £1,700,000.00 (2015 – £1,600,000.00) per ordinary share	1,700,000	1,600,000
	1,700,000	1,600,000

21 Related party transactions

The company has taken advantage of the exemption available in accordance with FRS 102 not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

Amounts owed to fellow group undertakings:

GTL International Limited
(Immediate parent company)

At the balance sheet date the amount owed to GTL International Limited was £148,325 (2015: due from £90,395).

22 Financial instruments

Categorisation of financial instruments

	31 December 2016 £	31 December 2015 £
Financial assets that are debt instruments measured at amortised cost	4,758,010	2,682,299
	4,758,010	2,682,299
Financial liabilities measured at amortised cost	6,802,645	4,859,797
	6,802,645	**4,859,797**

23 Parent and ultimate parent undertaking

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

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

Relationship between entity and parents

The parent of the largest and smallest group in which these financial statements are consolidated is GTL Limited, a company incorporated in India. GTL Limited is a fully listed company, with its shares traded on the Mumbai National Stock Exchange in India. Copies of these accounts are available from the registered office of GTL Limited.

The address of GTL Limited is:

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

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

24 Transition to FRS 102

The policies applied under the entities previous accounting framework are not materially different to FRS102 and have not impacted on equity or profit or loss.

	Year ended 31 December 2016 £	31 December 2014 to 31 December 2015 £
Turnover (analysed below)	24,472,232	22,423,090
Cost of sales (analysed below)	(20,346,217)	(18,386,326)
Gross profit	4,126,015	4,036,764
Gross profit (%)	16.86%	18%
Administrative expenses		
Employment costs (analysed below)	(1,077,502)	(1,276,193)
Establishment costs (analysed below)	(212,265)	(182,676)
General administrative expenses (analysed below)	(870,518)	(757,075)
Finance charges (analysed below)	(96,083)	(109,610)
Depreciation costs (analysed below)	(56,394)	(24,877)
	(2,312,762)	(2,350,431)

	Year ended 31 December 2016 £	31 December 2014 to 31 December 2015 £
Operating profit	1,813,253	1,686,333
Income from shares in group undertakings (analysed below)	3	–
Interest payable and similar charges (analysed below)	–	(64,600)
	3	(64,600)
Profit before tax	**1,813,256**	**1,621,733**

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GTL Nepal Pvt Limited, Balkumari Kathmandu

Report on the Financial Statements

We have audited the accompanying financial statements of GTL Nepal Pvt Limited which comprise the statement of financial position as at December 31, 2016, and the income statement for the period January 01, 2016 to December 31, 2016, 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 misstatements. 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 assessments 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 statement. 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, 2016 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 Reforms

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 purposes of our audit;
2. Proper books of account 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 Companies Act 2063 and the same are in agreement with the books of account maintained by the Company;
4. The business of the Company has been conducted satisfactorily;
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 30, 2017

BALANCE SHEET AS AT 31 DECEMBER 2016

	As at 31 Dec 2016 INR Crores	As at 31 Dec 2015 INR Crores	As at 01 Jan 2015 INR Crores	As at 31 Dec 2016 NPR	As at 31 Dec 2015 NPR	As at 01 Jan 2015 NPR
Assets						
Non–current assets						
Property, plant and equipment	**3.24**	2.48	2.74	**50,630,880**	38,783,972	42,744,947
Capital work–in–progress	**–**	–	–			
Investment properties	**–**	–	–			
Intangible assets	**0.66**	1.10	1.38	**10,262,689**	17,218,327	21,525,766
Intangible assets under development	**–**	–	–			
Financial assets						
Investments						
Loans	**–**	–	–			
Other financial assets	**–**	–	–			
Deferred tax assets (net)	**0.12**	0.09	0.07	**1,934,730**	1,462,850	1,100,000
Other non–current assets						
	4.02	**3.67**	**4.18**	**62,828,299**	**57,465,149**	**65,370,714**
Current assets						
Inventories	**3.51**	0.92	1.34	**54,774,754**	14,388,291	20,959,046
Financial assets						
Investments	**–**	–	–	**–**	–	–
Trade receivables	**25.07**	25.46	35.85	**391,675,971**	397,881,707	560,131,945
Cash and cash equivalents	**0.86**	1.49	0.50	**13,421,243**	23,297,214	7,738,348
Bank balance other than included in Cash and cash equivalents above	**14.83**	14.41	9.29	**231,674,660**	225,174,660	145,174,660
Other receivables	**4.38**	2.36	3.39	**68,513,273**	36,956,679	52,846,383
Loans	**–**	–	–	**–**	–	–
Other financial assets	**–**	–	–	**–**	–	–
Current Tax Assets (Net)	**0.58**	0.35	0.35	**9,039,446**	5,411,660	5,480,661
Other current assets	**0.12**	0.19	0.18	**1,925,329**	2,920,358	2,784,945
	49.34	**45.19**	**50.89**	**771,024,675**	**706,030,569**	**795,115,986**
Assets classified as held for sale						
	49.34	**45.19**	**50.89**	**771,024,675**	**706,030,569**	**795,115,986**
Total Assets	**53.36**	**48.86**	**55.08**	**833,852,975**	**763,495,718**	**860,486,700**
Equity and liabilities						
Equity						
Equity Share Capital	**1.24**	1.24	1.24	**19,453,000**	19,453,000	19,453,000
Other Equity	**12.54**	19.01	18.90	**195,982,810**	297,113,795	295,267,173
Total Equity	**13.78**	**20.26**	**20.14**	**215,435,810**	**316,566,795**	**314,720,173**
Non–current liabilities:						
Financial liabilities						
Borrowings	**11.75**	4.31	5.97	**183,552,723**	67,331,521	93,276,333
Trade payables	**–**	–	–	**–**	–	–
Other financial liabilities	**–**	–	–	**–**	–	–
Provisions	**–**	–	–	**–**	–	–
Deferred tax liabilities (net)	**–**	–	–	**–**	–	–
Other non–current liabilities	**–**	–	–	**–**	–	–
	11.75	**4.31**	**5.97**	**183,552,723**	**67,331,521**	**93,276,333**
Current liabilities:						
Financial liabilities						
Borrowings	**–**	–	–	**–**	–	–
Trade payables	**18.15**	12.44	15.07	**283,644,792**	194,322,296	235,446,451
Other financial liabilities	**–**	–	–	**–**	–	–
Other current liabilities	**9.68**	11.86	13.89	**151,219,649**	185,275,106	217,043,743
Provisions	**–**	–	–	**–**	–	–
Current tax liabilities (net)						
	27.83	**24.29**	**28.96**	**434,864,442**	**379,597,402**	**452,490,194**
Total liabilities	**39.58**	28.60	34.93	**618,417,165**	446,928,923	545,766,527
Total equity and liabilities	**53.36**	**48.86**	**55.07**	**833,852,975**	**763,495,718**	**860,486,700**

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

	Year ended 31st December, 2016	Year ended 31st December, 2015 Restated*	Year ended 31st December, 2016	Year ended 31st December, 2015 Restated*
	INR Crores	INR Crores	NPR	NPR
Continuing operations				
Revenue from operations	**62.40**	**70.09**	**990,435,215**	**1,112,539,428**
Other income	2.84	0.60	45,027,317	9,585,029
TOTAL INCOME	**65.24**	**70.69**	**1,035,462,532**	**1,122,124,457**
EXPENSES				
Cost of materials consumed	7.98	0.60	126,693,940	9,445,215
Purchases of stock–in–trade	23.50	36.77	373,093,940	583,599,240
Changes in inventories of finished goods, stock–in–trade and work–in–progress	4.36	2.23	69,163,045	35,347,337
Employee benefits expenses	10.42	9.12	165,354,754	144,667,075
Finance costs	0.46	0.19	7,250,608	3,009,255
Depreciation and amortisation expenses	0.87	0.79	13,846,158	12,605,129
Other expenses	2.66	2.29	42,229,450	36,322,254
TOTAL EXPENSES	**50.25**	**51.98**	**797,631,895**	**824,995,504**
Profit/(loss) before exceptional items and tax from continuing operations	**14.99**	**18.72**	**237,830,637**	**297,128,953**
Exceptional items	**(1.36)**	**(1.70)**	**(21,619,048)**	**(27,011,111)**
Profit/(loss) before tax from continuing operations	**13.62**	**17.01**	**216,211,589**	**270,117,841**
Tax expenses				
Current tax	3.41	4.25	54,052,897	67,529,460
Adjustment of tax relating to earlier periods	0.00	0.52	13,587	8,286,427
Deferred tax credit/(charge)	(0.03)	(0.02)	(471,880)	(344,134)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**10.25**	**12.26**	**162,616,985**	**194,646,088**
Discontinued operations:				
Profit/ (loss) for the year from discontinued operations	–	–	–	–
Profit/(loss) for the year	**10.25**	**12.26**	**162,616,985**	**194,646,088**
Other Comprehensive Income:				
Other comprehensive income for the year, net of tax	–	–	–	–
Total Comprehensive Income for the period, net of tax	**10.25**	**12.26**	**162,616,985**	**194,646,088**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

a. Equity Share Capital:

	No. in Crores	INR Crores	NPR
At 1st January 2015	0.02	1.24	19,453,000
Issue of share capital (Note 17)	–	–	
At 31st December 2015	0.02	1.24	19,453,000
Issue of share capital (Note 17)	–	–	
At 31st December 2016	**0.02**	**1.24**	**19,453,000**

b. Other Equity:

For the year ended 31 December 2016

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)	
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores
As at 01st January 2016	–	–	–	–	–	–	19.02	–	19.02
Net Profit for the period							10.41		10.41
Other comprehensive income							2.16		2.16
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**12.57**	**–**	**12.57**
Dividends	–	–	–	–	–	–	(19.04)	–	(19.04)
Transfer to general reserve	–	–	–	–	–	–	–	–	–
As at 31 December 2016	**–**	**–**	**–**	**–**	**–**	**–**	**12.54**	**–**	**12.54**

For the year ended 31 December 2015

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)	
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores
As at 01st January 2015	–	–	–	–	–	–	18.90	–	18.90
Net Profit for the period							12.46		12.46
Other comprehensive income							1.26		1.26
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**13.72**	**–**	**13.72**
Impact of translation of financials into INDAS									
Dividends	–	–	–	–	–	–	(13.59)	–	(13.59)
Transfer to general reserve	–	–	–	–	–	–	–	–	–
As at 31 December 2015	**–**	**–**	**–**	**–**	**–**	**–**	**19.02**	**–**	**19.02**

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2016

	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	INR in Crores	INR in Crores	NPR	NPR
OPERATING ACTIVITIES				
Profit before tax	13.84	17.29	216,211,590	270,117,841
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and impairment of property, plant and equipment	0.89	0.81	13,846,157	12,605,129
Finance costs (including fair value change in financial instruments)	0.51	0.27	7,969,437	4,163,450
Liabilities / provisions no longer required written back	2.16	1.26	33,807,483	19,609,710
Working capital adjustments:				
(Increase)/decrease in trade receivables	0.40	10.38	6,205,735	162,250,238
(Increase)/decrease in inventories	(2.58)	0.42	(40,386,460)	6,570,756
(Increase)/decrease in long term and short term loans and advances	(2.19)	1.02	(34,184,825)	15,941,786
Increase /(decrease) in trade payables, other current and non current liabilities and provisions	3.54	(4.67)	55,267,039	(73,030,005)
	16.56	26.77	258,736,156	418,228,905
Income tax paid (including TDS) (net)	(3.46)	(4.85)	(54,066,484)	(75,815,887)
Net cash flows from operating activities	**13.10**	**21.91**	**204,669,672**	**342,413,018**
Investing activities				
Proceeds from sale of property, plant and equipment	0.11	–	1,659,516	–
Purchase of property, plant and equipment (including CWIP)	(1.31)	(0.28)	(20,401,471)	(4,336,714)
Purchase of financial instruments	(0.42)	(5.12)	(6,500,000)	(80,000,000)
Net cash flows from / (used in) investing activities	**(1.62)**	**(5.40)**	**(25,241,955)**	**(84,336,714)**
Financing activities				
Interest paid	(0.51)	(0.27)	(7,969,437)	(4,163,450)
Proceeds from short term borrowings	7.44	–	116,221,202	–
Repayment of short term borrowings	–	(1.66)	–	(25,944,812)
Payment of dividend	(19.04)	(13.59)	(297,555,453)	(212,409,176)
Net cash flows from / (used in) financing activities	**(12.12)**	**(15.52)**	**(189,303,688.00)**	**(242,517,438.00)**
Net increase / (decrease) in cash and cash equivalents	**(0.63)**	**1.00**	**(9,875,971.00)**	**15,558,866.00**
Cash and cash equivalents at the beginning of the year	1.49	0.50	23,297,214.00	7,738,348
Cash and cash equivalents at the end	**0.86**	**1.49**	**13,421,243.00**	**23,297,214.00**

SCHEDULES TO FINANCIALS FOR THE YEAR ENDED AND AS AT 31 DECEMBER, 2016

3. Property, plant and equipment

	Freehold land	Leasehold land	Buildings	Plant & machinery	Furniture & fixtures	Office equip–ments	Compu–ters	Net–working Assets	Test and Repair Equip–ments	Vehicles	Capital Work in Progress	Total
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores
Cost												
At 1 January 2015				2.29	0.53	1.08				0.41		4.30
Additions				0.12	0.08	0.07						0.28
Disposals												–
At 31 December 2015	–	–	–	2.41	0.61	1.15	–	–	–	0.41	–	4.57
Additions				0.87	0.06	0.23				0.15		1.31
Disposals				(0.00)	(0.03)	(0.07)						(0.10)
Discontinued operations (Note XX)												–
At 31 December 2016	–	–	–	3.27	0.64	1.31	–	–	–	0.55	–	5.78
Depreciation and impairment												
At 1 January 2015				0.72	0.24	0.51				0.09		1.56
Depreciation charge for the year				0.24	0.08	0.15				0.06		0.53
Disposals												–
At 31 December 2015	–	–	–	0.96	0.32	0.66	–	–	–	0.16	–	2.09
Depreciation charge for the year**				0.14	0.09	0.14				0.08		0.45
Disposals												–
Discontinued operations												–
At 31 December 2016	–	–	–	1.10	0.40	0.80	–	–	–	0.23	–	2.54
Net Book Value												
At 31 December 2016	–	–	–	2.17	0.24	0.51	–	–	–	0.32	–	3.24
At 31 December 2015	–	–	–	1.45	0.29	0.49	–	–	–	0.25	–	2.48
At 1 January 2015	–	–	–	1.57	0.29	0.57	–	–	–	0.31	–	2.74

Net Book Value

	At 31 December 2016	At 31 December 2015	At 1 January 2015	At 31 December 2016	At 31 December 2015	At 1 January 2015
	INR in Crores	INR in Crores	INR in Crores	NPR	NPR	NPR
Plant, property and equipment	3.24	2.48	2.74	50,630,880	38,783,972	42,744,947
Capital Work in Progress	–	–	–			

5 Intangible assets

	Networking Software	Total
	INR in Crores	INR in Crores
Cost		
At 1 January 2015	1.96	1.96
Additions		
Disposals		
At 31 December 2015	1.96	1.96
Additions		
Disposals	(0.01)	(0.01)
At 31 December 2016	1.95	1.95
Amortization and impairment		
At 1 January 2015	0.58	0.58
Amortisation	0.28	0.28
Disposals		
At 31 December 2015	0.86	0.86
Amortisation	0.22	0.22
Disposals	0.22	0.22
At 31 December 2016	1.30	1.30
Net Book Value		
At 31 December 2016	0.66	0.66
At 31 December 2015	1.10	1.10
At 1 January 2015	1.38	1.38

Net Book Value

	At 31 December 2016	At 31 December 2015	At 1 January 2015	At 31 December 2016	At 31 December 2015	At 1 January 2015
	INR in Crores	INR in Crores	INR in Crores	NPR	NPR	NPR
Intangible assets	0.66	1.10	1.38	10,262,689	17,218,327	21,525,766
Intangible assets under development	–	–	–			

7. Loans

	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
	INR in Crores	INR in Crores	INR in Crores	NPR	NPR	NPR
Deposits with body corporates and others						
Secured, considered good	11.75	4.31	5.97	183,552,723	67,331,521	93,276,333
Total Loans (before allowance for impairment)	**11.75**	**4.31**	**5.97**	**183,552,723**	**67,331,521**	**93,276,333**
Total financial assets	**11.75**	**4.31**	**5.97**	**183,552,723**	**67,331,521**	**93,276,333**

8. Other non–current assets

	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
	INR in Crores	INR in Crores	INR in Crores	NPR	NPR	NPR
Prepaid expenses	0.11	0.10	0.14	1,696,745	1,510,689	2,183,704
Others	–	–	–	–	–	–
	0.11	**0.10**	**0.14**	**1,696,745**	**1,510,689**	**2,183,704**

9. **Inventories**

	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
	INR in Crores	INR in Crores	INR in Crores	NPR	NPR	NPR
Work in progress (at cost)	1.37	0.31	0.25	21,336,421	4,779,373	3,904,913
Finished goods (at lower of cost and net realisable value)	2.14	0.61	1.09	33,438,333	9,608,918	17,054,133
Total inventories at the lower of cost and net realisable value	**3.51**	**0.92**	**1.34**	**54,774,754**	**14,388,291**	**20,959,046**

11. **Trade and other receivables**

	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
	INR in Crores	INR in Crores	INR in Crores	NPR	NPR	NPR
Trade receivables	25.07	25.46	35.85	391,675,971	397,881,707	560,131,945
Total Trade and other receivables	**25.07**	**25.46**	**35.85**	**391,675,971**	**397,881,707**	**560,131,945**

12. **Cash and cash equivalents**

	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
	INR in Crores	INR in Crores	INR in Crores	NPR	NPR	NPR
Balances with banks						
In current accounts	0.86	1.45	0.47	13,407,594	22,670,585	7,297,680
Cash on hand	0.00	0.04	0.03	13,649	626,629	440,668
	0.86	**1.49**	**0.50**	**13,421,243**	**23,297,214**	**7,738,348**

13. **Bank balance other than cash and cash equivalents**

	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
	INR in Crores	INR in Crores	INR in Crores	NPR	NPR	NPR
Margin money with banks	14.83	14.41	9.29	231,674,660	225,174,660	145,174,660
	14.83	**14.41**	**9.29**	**231,674,660**	**225,174,660**	**145,174,660**

14. **Other receivables**

	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
	INR in Crores	INR in Crores	INR in Crores	NPR	NPR	NPR
Other loans and advances						
Considered good	4.38	2.36	3.39	68,513,273	36,956,679	52,846,383
	4.38	**2.36**	**3.39**	**68,513,273**	**36,956,679**	**52,846,383**

15. **Current Tax Assets (Net)**

	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
	INR in Crores	INR in Crores	INR in Crores	NPR	NPR	NPR
Advance Income Tax & Tax deducted at source (Net of provision)	0.58	0.35	0.35	9,039,446	5,411,660	5,480,661
	0.58	0.35	0.35	9,039,446	5,411,660	5,480,661

16. **Other current assets**

	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
	INR in Crores	INR in Crores	INR in Crores	NPR	NPR	NPR
Prepaid expenses	0.11	0.10	0.14	1,696,745	1,510,689	2,183,704
Others	0.01	0.09	0.04	228,583	1,409,668	601,240
	0.12	**0.19**	**0.18**	**1,925,329**	**2,920,358**	**2,784,945**

14. Share Capital

Authorised Share Capital

	Equity shares	
	No. in Crores	INR in Crores
At 1 January 2015	0.04	2.49
Increase / (decrease) during the year	–	–
At 31 December 2015	0.04	2.49
Increase / (decrease) during the year	–	–
At 31 December 2016	0.04	2.49

Issued equity capital

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

	No. in Crores	INR in Crores	NPR
At 1 January 2015	0.02	1.24	19,453,000
Changes during the year	–	–	
At 31 December 2015	0.02	1.24	19,453,000
Changes during the year	–	–	
At 31 December 2016	0.02	1.24	19,453,000

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

Name of the shareholder	As at 31 December 2016		As at 31 December 2015	
	No. in Crores	% holding in the class	No. in Crores	% holding in the class
Equity shares of INR 64 each fully paid				
GTL Singapore PTE Ltd, holding company	0.02	100%	0.02	100%

Balance in Statement of Profit and Loss

	INR in Crores	NPR
At 1 January 2015	18.90	295,267,173
Add: Profit during the year	12.45	194,646,088
Add: Prior year adjustments and provision write off	1.25	19,609,710
Less: Dividend payout	13.59	212,409,176
At 31 December 2015	19.01	297,113,795
Add: Profit during the year	10.41	162,616,985
Add: Prior year adjustments and provision write off	2.16	33,807,483
Less: Dividend payout	19.05	297,555,453
At 31 December 2016	12.54	195,982,810

Total other equity

	INR in Crores	NPR
At 1 January 2015	18.90	295,267,173
At 31 December 2015	19.01	297,113,795
At 31 December 2016	12.54	195,982,810

19. Borrowings

	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
	INR in Crores	INR in Crores	INR in Crores	NPR	NPR	NPR
Non–current borrowings						
Non–current interest bearing loans and borrowings:						
Secured Loans	11.75	4.31	5.97	183,552,723	67,331,521	93,276,333
Total secured loans	**11.75**	**4.31**	**5.97**	**183,552,723**	**67,331,521**	**93,276,333**

	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
	INR in Crores	INR in Crores	INR in Crores	NPR	NPR	NPR
Deferred tax assets	0.12	0.09	0.07	1,934,730	1,462,850	1,100,000
Deferred tax liabilities, net	**0.12**	**0.09**	**0.07**	**1,934,730**	**1,462,850**	**1,100,000**

25. Trade payables

	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
	INR in Crores	INR in Crores	INR in Crores	NPR	NPR	NPR
Trade payables	8.59	4.95	7.77	134,143,859	77,265,627	121,383,181
Trade payables to related parties	9.57	7.49	7.30	149,500,934	117,056,669	114,063,269
	18.15	**12.44**	**15.07**	**283,644,792**	**194,322,296**	**235,446,451**

27. Other current liabilities

	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
	INR in Crores	INR in Crores	INR in Crores	NPR	NPR	NPR
Advance from customers and unearned income	1.38	1.02	1.83	21,596,400	15,954,021	28,606,243
Unearned Revenue						
Taxes and other liabilities	5.79	8.08	9.60	90,486,523	126,198,538	150,000,000
Accrued salaries and Employee benefits	2.50	2.76	2.46	39,136,726	43,122,547	38,437,500
Lease equalisation reserve						
	9.68	**11.86**	**13.89**	**151,219,649**	**185,275,106**	**217,043,743**

29. Revenue from operations

	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	INR in Crores	INR in Crores	NPR	NPR
Rendering of Services				
Telecom services	62.40	70.09	990,435,215	1,112,539,428
Others	–	–	–	–
	62.40	**70.09**	**990,435,215**	**1,112,539,428**

30. Other income

	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	INR in Crores	INR in Crores	NPR	NPR
Interest income	0.69	0.56	10,886,481	8,877,275
Gain on foreign currency transactions (Net)	(0.00)	0.03	(734)	521,354
Other non–operating income	2.15	0.01	34,141,570	186,400
	2.84	**0.60**	**45,027,317**	**9,585,029**

31. Cost of materials consumed

	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	INR in Crores	INR in Crores	NPR	NPR
Raw Material Consumed				
Inventory at the beginning of the year	0.61	1.07	9,608,918	17,054,133
Add: Purchases	9.48	0.13	150,523,355	2,000,000
	10.09	1.20	160,132,273	19,054,133
Less: inventory at the end of the year	2.11	0.61	33,438,333	9,608,918
Cost of raw material and components consumed	**7.98**	**0.60**	**126,693,940**	**9,445,215**

32. Purchases of stock–in–trade

	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	INR in Crores	INR in Crores	NPR	NPR
Inventory at the beginning of the year	0.61	1.07	9,608,918	17,054,133
Add: Purchases of stock in trade :	9.48	4.76	150,523,355	75,554,025
Add: Purchase of material (Other than for trade) and services:	15.52	31.54	246,400,000	500,600,000
	25.61	37.37	406,532,273.15	593,208,158.18
Less: inventory at the end of the year	2.11	0.61	33,438,333	9,608,918
Purchases of stock–in–trade	**23.50**	**36.77**	**373,093,940**	**583,599,240**

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

	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	INR in Crores	INR in Crores	NPR	NPR
Opening Stock				
Work–in–Process	0.30	0.25	4,779,373	3,904,913
Finished Goods	0.61	1.07	9,608,918	17,054,133
Stock–in–Trade				
Spares and consumables				
Closing Stock				
Work–in–Process	1.34	0.30	21,336,421	4,779,373
Finished Goods	2.11	0.61	33,438,333	9,608,918
Stock–in–Trade				
Spares and consumables				
	4.36	**2.23**	**69,163,045**	**35,347,337**

34. Employee benefits expenses

	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	INR in Crores	INR in Crores	NPR	NPR
Salaries, wages and bonus	9.83	8.63	156,046,581	136,912,703
Contribution to provident and other funds	0.17	0.10	2,661,675	1,626,391
Employee stock option scheme				
Gratuity expense	0.15	0.10	2,357,565	1,599,522
Staff welfare expense	0.26	0.27	4,122,490	4,228,460
Recruitment and training	0.01	0.02	166,443	299,999
	10.42	**9.12**	**165,354,754**	**144,667,075**

35. Finance costs

	31 December 2016 INR in Crores	31 December 2015 INR in Crores	31 December 2016 NPR	31 December 2015 NPR
Interest				
– On fixed period loan	0.46	0.19	7,250,608	3,009,255
– Others	–	–	–	–
Total finance cost	**0.46**	**0.19**	**7,250,608**	**3,009,255**

36. Depreciation and amortization expense

	31 December 2016 INR in Crores	31 December 2015 INR in Crores	31 December 2016 NPR	31 December 2015 NPR
Depreciation of tangible assets (note 3)	0.87	0.79	13,846,157	12,605,129
	0.87	**0.79**	**13,846,158**	**12,605,129**

37. Other expenses

	31 December 2016 INR in Crores	31 December 2015 INR in Crores	31 December 2016 NPR	31 December 2015 NPR
Repairs and maintenance				
Plant and machinery	0.11	0.11	1,740,170	1,744,355
Others	0.01	0.03	171,492	436,214
Other insurance	0.18	0.15	2,854,434	2,420,524
Non network rent	0.46	0.42	7,342,379	6,664,760
Electricity	0.03	0.03	555,188	422,336
Printing and stationery	0.16	0.08	2,571,188	1,235,554
Communication expenses	0.15	0.16	2,359,876	2,598,909
Travelling and conveyance	0.88	0.83	13,922,638	13,208,475
Bank charges	0.05	0.07	718,829	1,154,195
Legal and professional charges	0.11	0.09	1,694,622	1,378,486
Audit fees	0.01	0.01	225,000	225,000
Loss/(Gain) on sale of fixed assets/asset disposed off (net)	0.01	–	135,119	–
Miscellaneous expenses	0.50	0.30	7,938,516	4,833,447
	2.66	**2.29**	**42,229,450**	**36,322,254**
Payments to the auditor:				
As auditor				
Audit fee	0.01	0.01	225,000	225,000
	0.01	**0.01**	**225,000**	**225,000**

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

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 375, out of which 115 is direct and 260 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 2016 to 31 December 2016.

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 itqems 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 2015 are disclosed separately as adjustment to prior period profit in Profit and Loss Appropriation account.

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 INR 28,663,370 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, 2016 till December 31, 2016. 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, 2016. The amount of provision for depreciation and consequently current taxes is likely to change based on the actual results till Mid July 2017. The effect due to these on the financials for the period ending December 31, 2016 will not be significant.

Provision for tax created as at December 31, 2016 is disclosed for group reporting (consolidation) purposes only. Balance under the head as on December 31, 2016 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, 2016 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 2016] 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(Inr)
Opening Income Tax Provision	9,044,023.04
Add: Provision from Jan 1 2016 to Dec 31 2016	34,593,854.32
Less: Income Tax Provision as per income tax assessment	39,219,905.04
Add: Adjustment/Reversal of previous tax payment	1,544,237.44
Closing Balance of Income tax Provision	5,962,209.62

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 INR 22027028.56 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 2016 is disclosed for group reporting (consolidation) purposes only. Balance under the head as on 31 December 2015 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 2016] 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 2016 is as follows:

Provision for Bonus	Amount(Inr)
Opening as per Corporate Reporting	20,635,473.92
Provision for bonus as per local reporting	15,439,310.08
Provision pertaing to period Jan 01 to Dec 31, 2016	13,837,541.76
Adjustment for excess provision as per local reporting and corporate reporting	(1,601,768.32)
Adjustment (Payment) made during the year	(22,127,599.36)
Closing Balance of provision for Bonus	**12,345,416.32**

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(INR)	Tax Base	Deductible Temporary Difference(INR)	Tax Rate	Deferred Tax Assets (INR)
Provision for Gratuity	4,952,908	–	4,952,908	25%	1,238,227
Total to be maintain					1,238,227
Opening Deferred Tax Assets					936,224
Difference as deferred tax Income					302,003

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 2016 are disclosed for group reporting purposes only. Balance under these head as on 31 December 2015 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 2016 that amounts to INR 218,048,015 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 2016.

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 INR)
Revenue from Supply of Goods	109,999,750
Revenue from Services	513,155,435
Revenue from sale of fixed asset	819,000
Total	**623,974,185**

12. **Information about key Management Personnel 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 INR 7,081,628.

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 INR 2,478,576.

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 INR)	Type
GTL International Limited	corporate overhead charged to GTL Nepal	7,580,336	Credit
GTL Limited, Branch	Invoices	22,699,997	Credit
GTL (SINGAPORE) PTE LTD	Dividend Payable	65,400,265	Credit

14. **Contingent Liability:**

There are no legal cases against the company. The company has already filed tax returns for the Nepalese FY 2072–73 covering period July 16, 2015 till July 16, 2016. No bank guarantee is outstanding as on 31 December 2016.

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, 2017

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, 2017 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, 2017, 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, 2017

BALANCE SHEET AS AT 31 MARCH 2017

	As at 31 March 2017 INR in Crore	As at 31 March 2016 INR in Crore	As at 1 April 2015 INR in Crore	As at 31 March 2017 MMK	As at 31 March 2016 MMK	As at 1 April 2015 MMK
Assets	–	–	–			
Non–current assets	–	–	–			
Property, plant and equipment	**0.59**	0.70	0.30	**119,094,567**	125,617,918	48,065,960
Capital work–in–progress	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–
Intangible assets	–	–	–	–	–	–
Intangible assets under development	–	–	–	–	–	–
Financial assets	–	–	–			
Investments	–	–	–	–	–	–
Loans	–	–	–	–	–	–
Other financial assets	–	–	–	–	–	–
Deferred tax assets (net)	–	–	–	–	–	–
Other non–current assets	**0.04**	0.03	0.01	**8,835,000**	6,040,000	1,040,000
	0.64	**0.73**	**0.30**	**127,929,567**	**131,657,918**	**49,105,960**
Current assets	–	–	–			
Inventories	**5.93**	8.93	–	**1,191,655,697**	1,606,692,177	–
Financial assets	–	–	–			
Investments	–	–	–	–	–	–
Trade receivables	**20.09**	24.02	4.51	**4,037,360,939**	4,323,685,884	729,382,029
Cash and cash equivalents	**3.33**	3.92	0.58	**669,088,744**	704,934,363	93,738,355
Bank balance other than included in Cash and cash equivalents above	–	–	–	–	–	–
Other receivables	**1.04**	0.58	0.30	**208,273,690**	104,253,474	48,891,116
Loans	–	–	–	–	–	–
Other financial assets	–	–	–	–	–	–
Current Tax Assets (Net)	**4.94**	2.94	0.19	**992,443,133**	529,181,551	30,481,454
Other current assets	**3.26**	1.52	1.37	**655,263,261**	273,770,881	220,981,335
	38.58	**41.90**	**6.94**	**7,754,085,464**	**7,542,518,330**	**1,123,474,289**
Assets classified as held for sale	–	–	–			
	38.58	**41.90**	**6.94**	**7,754,085,464**	**7,542,518,330**	**1,123,474,289**
Total Assets	**39.22**	**42.63**	**7.25**	**7,882,015,031**	**7,674,176,248**	**1,172,580,249**
Equity and liabilities	–	–	–			
Equity	–	–	–			
Equity Share Capital	**1.15**	1.29	0.31	**232,025,000**	232,025,000	50,000,000
Other Equity	**9.32**	8.60	0.57	**1,873,340,532**	1,547,325,978	91,834,229
Total Equity	**10.47**	**9.89**	**0.88**	**2,105,365,532**	**1,779,350,978**	**141,834,229**
Non–current liabilities:	–	–	–			
Financial liabilities	–	–	–			
Borrowings	–	–	–	–	–	–
Trade payables	–	–	–	–	–	–
Other financial liabilities	–	–	–	–	–	–
Provisions	–	–	–	–	–	–
Deferred tax liabilities (net)	–	–	–	–	–	–
Other non–current liabilities	–	–	–	–	–	–
	–	–	–	–	–	–
Current liabilities:	–	–	–			
Financial liabilities	–	–	–			
Borrowings	–	–	–	–	–	–
Trade payables	**20.57**	22.37	5.73	**4,135,202,061**	4,026,581,279	926,562,205
Other financial liabilities	–	–	–	–	–	–
Other current liabilities	**2.80**	6.75	0.45	**563,547,801**	1,215,648,699	73,572,405
Provisions	**5.36**	3.63	0.19	**1,077,899,637**	652,595,292	30,611,410
Current tax liabilities (net)	–	–	–			
	28.74	32.75	6.37	**5,776,649,499**	5,894,825,270	1,030,746,020
Total liabilities	28.74	32.75	6.37	**5,776,649,499**	5,894,825,270	1,030,746,020
Total equity and liabilities	**39.22**	**42.63**	**7.25**	**7,882,015,031**	**7,674,176,248**	**1,172,580,249**

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

	Year ended 31st March, 2017	Year ended 31st March, 2016 Restated*	Year ended 31st March, 2017	Year ended 31st March, 2016 Restated*
	INR in Crore	INR in Crore	MMK	MMK
Continuing operations				
Revenue from operations	**104.36**	90.96	**21,691,866,354**	16,300,399,206
Other income	**0.41**	1.25	**84,519,279**	223,393,628
TOTAL INCOME	**104.76**	**92.21**	**21,776,385,633**	**16,523,792,834**
EXPENSES				
Cost of materials consumed	**–**	–	**–**	–
Purchases of stock–in–trade	**76.42**	63.82	**16,092,346,632**	11,444,433,121
Changes in inventories of finished goods, stock–in–trade and work–in–progress	**3.00**	(8.93)	**415,036,480**	(1,606,692,177)
Employee benefits expenses	**7.57**	5.58	**1,573,060,460**	999,152,096
Finance costs	**–**	–	**–**	–
Depreciation and amortisation expenses	**0.46**	0.24	**95,310,096**	42,432,768
Other expenses	**9.46**	20.76	**1,790,945,893**	3,703,811,360
TOTAL EXPENSES	**96.90**	**81.47**	**19,966,699,561**	**14,583,137,169**
	–	**–**		
Profit/(loss) before exceptional items and tax from continuing operations	**7.86**	**10.74**	**1,809,686,072**	**1,940,655,665**
Exceptional items	**–**	**–**		
Profit/(loss) before tax from continuing operations	**7.86**	**10.74**	**1,809,686,072**	**1,940,655,665**
Tax expenses	**–**	–		
Current tax	**2.18**	2.71	**452,421,518**	485,163,916
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**5.69**	8.03	**1,357,264,554**	1,455,491,749
Discontinued operations:	**–**	–		
Profit/ (loss) for the year from discontinued operations	**–**	–	**–**	–
Profit/(loss) for the year	**5.69**	**8.03**	**1,357,264,554**	**1,455,491,749**
Other Comprehensive Income	**–**	–		
Other comprehensive income for the year, net of tax	**–**	**–**	**–**	**–**
Total Comprehensive Income for the period, net of tax	**5.69**	**8.03**	**1,357,264,554**	**1,455,491,749**

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

a. Equity Share Capital:

	No.	INR Crores
At 1 April 2015	50, 000	0.31
Issue of share capital (Note 17)	150,000	1.01
At 31 March 2016	200,000	1.32
Issue of share capital (Note 17)	–	–
At 31 March 2017	**200,000**	**1.32**

b. Other Equity:

For the year ended 31 March 2017

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)	
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores
As at 31st March 2016	–	–	–	–	–	–	8.60	–	–
Net Profit for the period							5.69		–
Other comprehensive income									–
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**5.69**	**–**	**–**
Dividends	–	–	–	–	–	–	4.96	–	–
Transfer from debenture redemption reserve	–	–	–	–	–	–	–	–	–
Transfer from Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–
Transfer to general reserve	–	–	–	–	–	–	–	–	–
Transfer to Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–
As at 31 March 2017	**–**	**–**	**–**	**–**	**–**	**–**	**9.32**	**–**	**–**

For the year ended 31 March 2016

Particulars	Equity component of compound financial instrument (Note 18)	Reserves & Surplus						Items of OCI	Total equity
		Capital Reserve (Note 18)	Capital Redemption Reserve (Note 18)	Securities premium account (Note 18)	Debenture Redemption Reserve (Note 18)	General reserve (Note 18)	Balance in Statement of Profit and Loss (Note 18)	FVTOCI reserve (Note 18)	
	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores	INR in Crores
As at 1st April 2015	–	–	–	–	–	–	0.57	–	–
Net Profit for the period							8.03		–
Other comprehensive income									–
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**8.03**	**–**	**–**
Impact of translation of financials into INDAS									–
Dividends	–	–	–	–	–	–	–	–	–
Transfer from debenture redemption reserve	–	–	–	–	–	–	–	–	–
Transfer from Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–
Transfer to general reserve	–	–	–	–	–	–	–	–	–
Transfer to Balance in Statement of Profit and Loss	–	–	–	–	–	–	–	–	–
As at 31 March 2016	**–**	**–**	**–**	**–**	**–**	**–**	**8.60**	**–**	**–**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	INR in Crores	INR in Crores	MMK	MMK
Operating activities				
Profit before tax from continuing operations	9.00	10.83	1,809,686,072	1,940,655,665
Profit/(loss) before tax from discontinued operations				
Profit before tax	9.00	10.83	1,809,686,072	1,940,655,665
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and impairment of property, plant and equipment	0.47	0.24	95,310,096	42,432,768
Gain on disposal of property, plant and equipment	0.01	–	1,277,811	
Provision for current tax (net of MAT credit entitlement)	–	(2.71)		(485,163,916)
Liabilities / provisions no longer required written back	(0.13)	–	(27,122,281)	
(Increase)/decrease in other current and non current assets	(0.92)	(31.38)	(185,917,753)	(5,622,848,032)
Increase /(decrease) in trade payables, other current and non current liabilities and provisions	(2.70)	27.14	(543,480,116)	4,864,079,250
	14.72	14.95	1,149,753,829	739,155,735
Dividend paid	(5.13)	–	(1,031,244,892)	–
Income tax paid (including TDS) (net)	(0.32)	(1.06)	(64,290,000)	(190,000,000)
Net cash flows from operating activities	**14.40**	**13.89**	**54,218,937**	**549,155,735**
Proceeds from sale of property, plant and equipment				
Purchase of property, plant and equipment (including CWIP)	(0.45)	(0.67)	(90,064,556.00)	(119,984,727.00)
Net cash flows from / (used in) investing activities	(0.45)	(0.67)	(90,064,556.00)	(119,984,727.00)
Financing activities				
Proceeds from issue of equity share capital	–	1.02		182,025,000.00
Net cash flows from / (used in) financing activities	**–**	**1.02**	**–**	**182,025,000.00**
Net increase / (decrease) in cash and cash equivalents	**13.96**	**14.24**	**(35,845,619.00)**	**611,196,008.00**
Adjustment on account of translation	**(14.54)**	**(10.90)**		
Cash and cash equivalents at the beginning of the year	3.92	0.58	704,934,363	93,738,355.00
Cash and cash equivalents at the end	**3.33**	**3.92**	**669,088,744.00**	**704,934,363.00**

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

3. Property, plant and equipment

	Freehold land	Leasehold land	Buildings	Plant & machinery	Furniture & fixtures	Office equipments	Computers	Vehicles	Total
	MMK	MMK	MMK	MMK	MMK	MMK	MMK	MMK	MMK
Cost									
At 1 April 2015				51,574,710.00	–	–	–	2,025,000.00	53,599,710.00
Additions				24,474,425.00	25,380,615.00	8,664,600.00	44,300,015.00	7,474,100.00	120,293,755.00
Disposals				(590,000.00)		155,000.00			(435,000.00)
At 31 March 2016	–	–	–	75,459,135.00	25,380,615.00	8,819,600.00	44,300,015.00	9,499,100.00	173,458,465.00
Additions				48,348,960.00	8,265,000.00	2,491,058.00	29,499,538.00	1,460,000.00	90,064,556.00
Disposals				(3,283,000.00)				(1,350,000.00)	(4,633,000.00)
At 31 March 2017	–	–	–	120,525,095.00	33,645,615.00	1,310,658.00	73,799,553.00	9,609,100.00	258,890,021.00
Depreciation and impairment									
At 1 April 2015				5,397,825.00				135,925.00	5,533,750.00
Depreciation charge for the year				20,384,888.00	7,684,775.00	4,382,027.00	8,272,698.00	1,761,053.00	42,485,441.00
Disposals				(143,253.00)		–	(35,391.00)		(178,644.00)
At 31 March 2016	–	–	–	25,639,460.00	7,684,775.00	4,382,027.00	8,237,307.00	1,896,978.00	47,840,547.00
Depreciation charge for the year**				48,099,413.00	10,211,701.00	8,355,845.00	24,028,947.00	4,614,190.00	95,310,096.00
Disposals				(2,365,528.00)		–		(989,661.00)	(3,355,189.00)
At 31 March 2017	–	–	–	71,373,345.00	17,896,476.00	12,737,872.00	32,266,254.00	5,521,507.00	139,795,454.00
Net Book Value									
At 31 March 2017	–	–	–	49,151,750.00	15,749,139.00	8,572,786.00	41,533,299.00	4,087,593.00	119,094,567.00
At 31 March 2016	–	–	–	49,819,675.00	17,695,840.00	14,437,573.00	36,062,708.00	7,602,122.00	125,617,918.00
At 1 April 2015	–	–	–	46,176,885.00	–	–	–	1,889,075.00	48,065,960.00

Net Book Value

	At 31 March 2017	At 31 March 2016	At 1 April 2015
	INR in Crores	INR in Crores	INR in Crores
Plant, property and equipment	119,094,567.00	125,617,918.00	48,065,960.00
Capital Work in Progress	–	–	–

	Plant & machinery	Furniture & fixtures	Office equipments	Computers	Networking Assets	Test and Repair Equipments	Vehicles	Capital Work in Progress	Total
	INR in Crore	INR in Crore	INR in Crore	INR in Crore	INR in Crore	INR in Crore	INR in Crore	INR in Crore	INR in Crore
Cost									
At 1 April 2015	0.32	–	–	–	–	–	0.01	–	0.33
Additions	0.14	0.14	0.10	0.25	–	–	0.04	–	0.67
Disposals	(0.00)	–	0.00	–	–	–	–	–	(0.00)
At 31 March 2016	0.45	0.14	0.10	0.25	–	–	0.05	–	1.00
Additions	0.24	0.04	0.01	0.15	–	–	0.01	–	0.45
Disposals	(0.02)	–	–	–	–	–	(0.01)	–	(0.02)
At 31 March 2017	0.68	0.18	0.12	0.39	–	–	0.05	–	1.42
Depreciation and impairment	–	–	–	–	–	–	–	–	–
At 1 April 2015	–	–	–	–	–	–	–	–	–
Depreciation charge for the year	0.03	–	–	–	–	–	0.00	–	0.03
Disposals	0.14	0.04	0.02	0.05	–	–	0.01	–	0.27
At 31 March 2016	(0.00)	–	–	(0.00)	–	–	–	–	(0.00)
Depreciation charge for the year**	0.18	0.04	0.02	0.05	–	–	0.01	–	0.30
Disposals	0.31	0.05	0.04	0.12	–	–	0.02	–	0.55
Translation	(0.01)	–	–	–	–	–	(0.00)	–	(0.02)
At 31 March 2017	–	–	–	–	–	–	–	–	–
Net Book Value	0.48	0.09	0.07	0.17	–	–	0.03	–	0.83
At 31 March 2017	–	–	–	–	–	–	–	–	–
At 31 March 2016	0.20	0.09	0.05	0.23	–	–	0.03	–	0.59
At 1 April 2015	0.28	0.10	0.08	0.20	–	–	0.04	–	0.70
At 1 April 2015	0.29	–	–	–	–	–	0.01	–	0.30

8. Other non–current assets

	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
	MMK	MMK	MMK	INR in Crores	INR in Crores	INR in Crores
Security Deposits	**8,835,000.00**	6,040,000.00	1,040,000.00	**0.04**	0.03	0.01
	8,835,000.00	**6,040,000.00**	**1,040,000.00**	**0.04**	**0.03**	**0.01**

9. Inventories

	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
	MMK	MMK	MMK	INR in Crores	INR in Crores	INR in Crores
Raw materials (at cost)	**151,532,065.00**	110,416,136.00	–	**0.75**	0.61	–
Work in progress (at cost)	**1,040,123,632.00**	1,496,276,041.00	–	**5.17**	8.31	–
Total inventories at the lower of cost and net realisable value	**1,191,655,697.00**	**1,606,692,177.00**	**–**	**5.93**	**8.93**	**–**

11. Trade and other receivables

	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
	MMK	MMK	MMK	INR in Crores	INR in Crores	INR in Crores
Trade receivables						
Unsecured, considered good	**4,037,360,939.00**	4,323,685,884.00	729,382,029.00	**20.09**	24.02	4.51
Total trade receivables	**4,037,360,939.00**	**4,323,685,884.00**	**729,382,029.00**	**20.09**	**24.02**	**4.51**

12. Cash and cash equivalents

	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
	MMK	MMK	MMK	INR in Crores	INR in Crores	INR in Crores
Balances with banks:				**–**	–	–
– On current accounts	**658,545,954.00**	673,666,817.00	86,178,120.00	**3.28**	3.74	0.53
Cash on hand	**10,542,790.00**	31,267,546.00	7,560,235.00	**0.05**	0.17	0.05
	669,088,744.00	**704,934,363.00**	**93,738,355.00**	**3.33**	**3.92**	**0.58**

14. Other receivables

	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
	MMK	MMK	MMK	INR in Crores	INR in Crores	INR in Crores
Other receivables	**34,324,071.00**	30,574,071.00	–	**0.17**	0.17	–
Other loans and advances	**173,949,619.00**	73,679,403.00	48,891,116.00	**0.87**	0.41	0.30
	208,273,690.00	**104,253,474.00**	**48,891,116.00**	**1.04**	**0.58**	**0.30**

15. Current Tax Assets (Net)

	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
	MMK	MMK	MMK	INR in Crores	INR in Crores	INR in Crores
Advance Income Tax & Tax deducted at source (Net of provision)	**992,443,133.00**	529,181,551.00	30,481,454.00	**4.94**	2.94	0.19
	992,443,133.00	**529,181,551.00**	**30,481,454.00**	**4.94**	**2.94**	**0.19**

16. Other current assets

	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
	MMK	MMK	MMK	INR in Crores	INR in Crores	INR in Crores
Prepaid expenses	**140,709,551.00**	88,931,851.00	36,997,738.00	**0.70**	0.49	0.23
Unbilled revenue (RR)	**514,553,710.00**	184,839,030.00	183,983,597.00	**2.56**	1.03	1.14
	655,263,261.00	**273,770,881.00**	**220,981,335.00**	**3.26**	**1.52**	**1.37**

14. Share Capital

Authorised Share Capital

	Equity shares	
	Numbers	MMK
At 1 April 2015	50,000.00	50,000,000.00
Increase / (decrease) during the year	150,000.00	182,025,000.00
At 31 March 2016	200,000.00	232,025,000.00
Increase / (decrease) during the year	–	–
At 31 March 2017	200,000.00	232,025,000.00

	Equity shares		Preference shares	
	Numbers	INR in Crore	No. in Crores	INR in Crore
At 1 April 2015	50,000.00	0.31	–	–
Increase / (decrease) during the year	150,000.00	1.01	–	–
At 31 March 2016	200,000.00	1.32	–	–
Increase / (decrease) during the year	–	–	–	–
At 31 March 2017	200,000.00	1.32	–	–

Issued equity capital

Equity shares of INR 1 each issued, subscribed and fully paid	Numbers	MMK	INR in Crore
At 1 April 2015	50,000	50,000,000.00	0.28
Changes during the year	150,000	182,025,000.00	1.01
At 31 March 2016	200,000	232,025,000.00	1.29
Changes during the year	–	–	(0.13)
At 31 March 2017	**200,000**	**232,025,000.00**	**1.15**

15. Other equity

Balance in Statement of Profit and Loss

	MMK	INR in Crore
At 1 April 2015	91,834,229.00	0.57
Add: Profit during the year	1,455,491,749.00	8.03
Less: Transfer to debenture redemption reserve	–	–
At 31 March 2016	1,547,325,978.00	8.60
Add: Profit during the year	1,357,264,554.00	5.69
Less: Dividend paid	1,031,250,000.00	4.96
At 31 March 2017	1,873,340,532.00	9.32

Total other equity		
At 1 April 2015	91,834,229.00	0.57
At 31 March 2016	1,547,325,978.00	8.60
At 31 March 2017	1,873,340,532.00	9.32

22. Provisions

	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
	MMK	MMK	MMK	INR in Crore	INR in Crore	INR in Crore
Other provisions	**1,077,899,637.00**	652,595,292.00	30,611,410.00	**5.36**	3.63	0.19
	1,077,899,637.00	**652,595,292.00**	**30,611,410.00**	**5.36**	**3.63**	**0.19**

25. Trade payables

	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
	MMK	MMK	MMK	INR in Crore	INR in Crore	INR in Crore
Trade payables	**4,135,202,061.00**	4,026,581,279.00	753,963,205.00	**20.57**	22.37	4.66
Trade payables to related parties			172,599,000.00			1.07
	4,135,202,061.00	**4,026,581,279.00**	**926,562,205.00**	**20.57**	**22.37**	**5.73**

27. Other current liabilities

	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
	MMK	MMK	MMK	INR in Crore	INR in Crore	INR in Crore
Advance from customers and unearned income	**199,301,293.00**	167,283,096.00	–	**0.99**	0.93	–
Unearned Revenue	**204,610,916.00**	852,218,596.00	18,754,235.00	**1.02**	4.73	0.12
Taxes and other liabilities	**47,492,173.00**	141,437,271.00	13,103,912.00	**0.24**	0.79	0.08
Accrued salaries and Employee benefits	**112,143,419.00**	54,709,736.00	41,714,258.00	**0.56**	0.30	0.26
	563,547,801.00	**1,215,648,699.00**	**73,572,405.00**	**2.80**	**6.75**	**0.45**

29. Revenue from operations

	31 March 2017 MMK	31 March 2016 MMK	31 March 2017 INR in Crore	31 March 2016 INR in Crore
Rendering of Services				
Telecom services	**21,691,866,354.00**	16,300,399,206.00	**104.36**	90.96
	21,691,866,354.00	**16,300,399,206.00**	**104.36**	**90.96**

30. Other income

	31 March 2017 MMK	31 March 2016 MMK	31 March 2017 INR in Crore	31 March 2016 INR in Crore
Interest income	**84,519,279.00**	223,393,628.00	**0.41**	1.25
	84,519,279.00	223,393,628.00	**0.41**	1.25

32. Purchases of stock–in–trade

	31 March 2017 MMK	31 March 2016 MMK	31 March 2017 INR in Crore	31 March 2016 INR in Crore
Inventory at the beginning of the year				
Add: Purchase of material (Other than for trade) and services:	**16,092,346,632.00**	11,444,433,121.47	**76.42**	63.82
	16,092,346,632.00	11,444,433,121.47	**76.42**	63.82
Less: inventory at the end of the year				
Purchases of stock–in–trade	**16,092,346,632.00**	**11,444,433,121.47**	**76.42**	63.82

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

	31 March 2017 MMK	31 March 2016 MMK	31 March 2017 INR in Crore	31 March 2016 INR in Crore
Opening Stock				
Work–in–Process	**1,496,276,041.00**	–	**8.32**	–
Spares and consumables	**110,416,136.00**	–	**0.61**	–
Less: Closing Stock				
Work–in–Process	**1,040,123,632.00**	(1,496,276,041.00)	**(5.17)**	(8.32)
Spares and consumables	**151,532,065.00**	(110,416,136.00)	**(0.75)**	(0.61)
	2,798,347,874.00	**(1,606,692,177.00)**	**3.00**	**(8.93)**

34. Employee benefits expenses

	31 March 2017 MMK	31 March 2016 MMK	31 March 2017 INR in Crore	31 March 2016 INR in Crore
Salaries, wages and bonus	**1,471,808,950.00**	880,170,969.05	**7.08**	4.91
Staff welfare expense	**101,251,510.00**	118,981,127.00	**0.49**	0.66
	1,573,060,460.00	**999,152,096.05**	**7.57**	**5.58**

36. Depreciation and amortization expense

	31 March 2017 MMK	31 March 2016 MMK	31 March 2017 INR in Crore	31 March 2016 INR in Crore
Depreciation of tangible assets (note 3)	**95,310,096.00**	42,432,768.00	**0.46**	0.24
	95,310,096.00	42,432,768.00	**0.46**	0.24

37. Other expenses

	31 March 2017 MMK	31 March 2016 MMK	31 March 2017 INR in Crore	31 March 2016 INR in Crore
Repairs and maintenance				
Plant and machinery	**–**	–	**–**	–
Others	**6,081,710.00**	–	**0.03**	–
Other insurance	**26,728,078.00**	–	**0.13**	–
Non network rent	**234,593,963.00**	132,950,262.60	**1.13**	0.74
Rates and taxes	**3,332,350.00**	5,059,250.00	**0.02**	0.03
Electricity	**36,313,970.00**	36,408,959.00	**0.17**	0.20
Communication expenses	**17,146,683.00**	82,383,361.00	**0.08**	0.46
Travelling and conveyance	**90,287,011.00**	542,752,326.15	**0.43**	3.03
Legal and professional charges	**1,248,958,326.00**	2,897,023,277.48	**6.01**	16.17
Audit fees	**16,484,925.00**	10,625,717.52	**0.08**	0.06
Miscellaneous expenses	**111,018,877.00**	(3,391,793.27)	**1.38**	0.07
	1,790,945,893.00	**3,703,811,360.48**	**9.46**	**20.76**

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

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, 2016 to March 31, 2017.

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 International Financial Reporting Standards (IFRS) for Small and Medium–sized Entities. In preparing these financial statements, certain reclassifications and rearrangements have been made in 2016 financial statements to conform to the classification used in 2017.

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'2017	31st Mar'2016
Opening	**173,458,465.00**	53,599,710.00
Addition for the year		
Mobile Generator 5KVA	**25,724,900.00**	13,598,000.00
Office & Equipment	**2,491,058.00**	13,400,200.00
Tools & Equipment	**22,624,060.00**	15,705,825.00
Motor Vehicles	**1,460,000.00**	7,474,100.00
Computer & Equipment	**29,499,538.00**	44,300,015.00
Furniture & Fixtures	**8,265,000.00**	25,380,615.00
Write off	**(4,633,000.00)**	
	258,890,021.00	173,458,465.00
Less: Accumulated depreciation		
Opening	**47,840,547.00**	5,533,750.00
For the year	**95,310,096.00**	42,306,797.00
Write off	**(3,355,189.00)**	
	139,795,454.00	47,840,547.00
Net book value	**119,094,567.00**	125,617,918.00

4. Cash

Cash consist of:

	31st Mar'2017	31st Mar'2016
Cash on hand	**10,542,790.00**	31,267,546.00
Cash in bank		
CB Bank (Myanmar Kyats)	**62,080,419.00**	72,055,148.00
CB Bank (US$)	**46,427,828.00**	350,063,036.00
KBZ Bank (Myanmar Kyats)	**219,732,820.00**	226,889,369.00
KBZ Bank (US$)	**18,413,287.00**	24,659,264.00
CB Bank Disbursement (Myanmar Kyats)	**249,442,540.00**	0.00
CB Bank Disbursement – (US$)	**50,438,810.00**	0.00
KBZ Bank Disbursement (Myanmar Kyats)	**12,010,250.00**	0.00
	669,088,744.00	704,934,363.00

5. Accounts Receivable

The above consist of:

	31st Mar'2017	31st Mar'2016
Apollo Tower Myanmar Ltd	**(5,898,301.00)**	581,705,733.00
Ericsson Myanmar Co., Ltd	**28,809,874.00**	138,437,251.00
Flexenclosure AB (Publ)	**–**	79,453,705.00
Hexamatic Myanmar Company Ltd	**–**	(3,299,409.00)
Irrawaddy Green Towers Ltd.	**26,677,618.00**	5,356,000.00
Suntac Technologies Ltd.	**10,638,969.00**	5,768,862.00
KBZ Towers Co.Ltd	**1,792,777,446.00**	0.00
Myanmar GT Broadband Co.Ltd–Dr	**10,180,650.00**	0.00
OCK Yangon Private Limited	**90,483,387.00**	0.00
Ooredoo Myanmar Limited	**463,975,124.00**	0.00
Suntac Engineering & Construction	**(36,528,840.00)**	0.00
Telenor Myanmar Ltd.	**1,656,245,012.00**	3,516,263,742.00
	4,037,360,939.00	4,323,685,884.00

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'2017	31st Mar'2016
Inventory	**151,532,065.00**	110,416,136.00
WIP–Projects Material	**739,619,249.00**	806,077,479.00
WIP–Projects Services	**300,504,383.00**	690,198,562.00
	1,191,655,697.00	1,606,692,177.00

7. Deposit (Ks 8,835,000.00)

The above deposit for Security Deposit for Rental property.

8. Prepayment & Advance and Other assets

The above consist of:

	31st Mar'2017	31st Mar'2016
Imprest for Project	**173,949,619.00**	73,679,403.00
Withholding Tax	**722,748,133.00**	323,776,551.00
Advance Income Tax	**269,695,000.00**	205,405,000.00
Earned Income	**514,553,710.00**	184,839,030.00
Prepaid Expenses	**140,709,551.00**	88,931,851.00
Others	**34,324,071.00**	30,574,071.00
	1,855,980,084.00	907,205,906.00

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 1share owned by GTL Europe Limited.

10. Accounts Payable

The above consist of:

	31st Mar'2017	31st Mar'2016
7 Steps Company Ltd	**0.00**	11,025,000.00
A A Future Light Co.Ltd	**0.00**	6,066,200.00

	31st Mar'2017	31st Mar'2016
A R Tel (Myanmar) Limited	**26,991,052.00**	0.00
Ajay Singh Group	**0.00**	300,000.00
Akbar Travels of India Pvt Limited	**26,483,905.00**	52,342,787.69
AnJ Tele Logistics Limited	**1,450,700.00**	9,806,300.00
Apparent Power Engineering General Trading Co.Ltd	**0.00**	1,524,660.00
Arkar Sun Co.Ltd	**0.00**	165,000.00
Arvensis Dhanyataa Co.Ltd	**1,959,872.00**	0.00
Arvensis Energy Pvt.Ltd	**0.00**	(1,464,432.24)
Asia Forward Co.Ltd Construction	**3,466,700.00**	7,128,670.00
Asia Golden Family Group Co.Ltd	**1,604,080.00**	3,746,500.00
Asia Sonyan Construction	**0.00**	3,472,538.00
ASM Construction Material	**270,000.00**	36,811,400.00
Aung Ko Latt	**0.00**	1,145,430.00
Aung Myo Oo	**(300,002.00)**	1,392,838.50
Aung Pyitan	**0.00**	2,646,000.00
Aung Soe Moe Car Rental Service	**700,000.00**	0.00
Aung Thazin Khant Co.Ltd	**0.00**	3,162,900.00
Aung Thein Than Co.Ltd	**8,450,050.00**	365,000.00
Aung Zaw Than	**0.00**	806,490.00
Ausnet Engineering Services (Pty)Ltd	**0.00**	1,874,640.00
Ayar Thaw Construction Company Limited	**0.00**	2,015,823.00
Aye Mya Chan Thar	**0.00**	3,136,000.00
Beautiful Days Co.Ltd	**(1,520,000.00)**	7,552,493.18
Best Passage Co.Ltd	**0.00**	1,150,000.00
Bhartiya Infrastructure Co.Ltd	**0.00**	700,000.00
Black Hawk Security Services	**29,200.00**	29,200.00
Bluewave Broadband Limited	**2,529,248.00**	0.00
BNU Myanmar Co.Ltd	**0.00**	1,380,000.00
Building & Land Leader Group Company Limited	**0.00**	695,950.00
CAM Construction & Decoration	**4,333,259.00**	1,042,644.80
Cattleya Company Limited	**787,700.00**	10,340,534.00
Cellex Myanmar Ltd	**664,000.00**	0.00
Cherry Power Co.Ltd	**0.00**	848,000.00
Chin Su (Myanmar) Co.Ltd	**0.00**	(2,500,000.00)
Chit Moe Hein	**0.00**	1,205,000.00
Classic Electrical & Engineering Co.Ltd	**31,488,977.00**	29,696,448.50
Classic Wire & Cable Co. Ltd	**0.00**	(999.92)
Clover Solutions Co.Ltd	**9,919,950.00**	7,152,877.16
Conca Myanmar Engineering Co.Ltd	**18,871,223.00**	0.00
Concordia Intl Co.Ltd	**0.00**	1,470,000.00
Daw Htay Company Limited	**766,000.00**	33,868,680.00
Daw Sandar	**(3,098,080.00)**	0.00
Daw Tin Kyi	**0.00**	288,000.00
Day to Day –Motel	**0.00**	(2,352,000.00)
Diamond Delta Company Limited	**0.00**	140,000.00
Dollar Mandalay Company Limited	**0.00**	26,591,040.00

	31st Mar'2017	31st Mar'2016
Durang Company Limited	**520,716.00**	0.00
E21 International Co.Ltd	**0.00**	721,907.00
EGV Engineering Co.Ltd	**3,289,300.00**	0.00
EKS Company Limited	**1,683,000.00**	14,657,026.00
Etaha Company Limited	**0.00**	276,000.00
Extreme Company Limited	**(100,000.00)**	18,986,810.00
Family Constriction Group	**0.00**	(136,500.00)
Future Soiltechnics Co Ltd	**0.00**	686,000.00
GCI (Hongkong)Limited	**2,534,137.00**	0.00
Genius Infotek	**101,973.00**	0.00
Genno Safety & PPE Sales Centre	**0.00**	1,666,160.00
GH Services Myanmar Pvt Ltd	**171,745.00**	3,901,000.00
Global Crop Construction Co Ltd	**1,229,401.00**	4,916,495.00
Global Link Myanmar Construction Group.Ltd	**0.00**	92,000.00
Gold Tower Telecom Services	**53,800.00**	1,557,800.00
Golden Ariya Company Limited	**0.00**	1,000,000.00
Golden Four Stars Construction Co.Ltd	**0.00**	143,000.00
Golden Gate Global Myanmar Pte.Ltd	**0.00**	(3,700.00)
Golden Infra Co.Ltd	**1,594,300.00**	0.00
Golden Myanmar Crystal Co. Ltd	**120,000.00**	0.00
Golden Sea & Land Forwarding Co.Ltd	**(5,048,943.00)**	2,622,241.00
Golden Seven Arrow	**0.00**	553,000.00
Golden Sparrow Trading Co Ltd	**0.00**	420,000.00
GTL (Singapore) Pte Ltd–AP	**1,539,638,850.00**	1,187,838,108.20
GTL India	**0.00**	3,029,709.07
Haha Travels & Tours	**1,149,528.00**	1,264,640.00
Hardware World	**0.00**	(1,260.00)
Hein Min Tun	**0.00**	830,900.00
High Aims (ASIA) Co.Ltd	**4,574,829.00**	3,188,303.00
High Power Group Engineering Company Limited	**(155,000.00)**	1,697,000.00
Highlandz Group of Services	**(144,050.00)**	10,917,250.00
Hla Min	**0.00**	1,999,200.00
Hlwann Htet Aung Co.Ltd	**0.00**	4,341,250.00
HO Brothers Holdings Limited	**(27,500.00)**	10,482,000.00
Hsu Hlan Phyo Co.Ltd	**620,000.00**	0.00
Htein Lin	**0.00**	563,538.00
Htet Hlyan Toeconstruction Co.Ltd	**4,996,750.00**	0.00
Htet Kyaw Construction Co.Ltd	**0.00**	3,575,375.00
Htet Nandar Aung Construction Co.Ltd	**970,000.00**	0.00
Htun Yay Chan Co.Ltd	**599,400.00**	0.00
Iceberg Myanmar Co.Ltd	**5,368,724.00**	0.00
IMA Executive Search	**(17,850,754.00)**	151,611,858.00
Immortal Myanmar Power	**5,248,400.00**	0.00
Inn Thar	**0.00**	341,650.00
Intelux Electronics Pvt Ltd	**65,419,298.00**	0.00

	31st Mar'2017	31st Mar'2016
Inya Land Co.Ltd	**(436.00)**	0.00
Jai Ram & Comapny	**380,300.00**	3,395,200.00
James & Associate Electrical Engineering	**0.00**	8,279,980.00
Jhamuna Tower Tech(Madras)PVT LTD	**9,770,650.00**	37,035,057.79
Kanni Petroleum	**6,231,280.00**	0.00
Kaung Thant Hein Construction Co.Ltd	**0.00**	2,275,303.00
Key Link Business Services Co.Ltd	**10,213,934.00**	3,647,300.00
Khin Zaw Technology	**0.00**	10,200.00
King Janaka Natural Resources & Technology Company	**10,846,258.00**	33,867,400.00
Ko Babu Car Service Centre	**1,646,000.00**	4,789,200.00
Ko Htet Maung Kyaw	**0.00**	979,900.00
Ko Kyaw Thu	**0.00**	360,000.00
Ko Taung Htike Group	**0.00**	1,551,894.00
Ko Thant Zin Electrical Service Centre	**0.00**	3,490,000.00
KST Engineering Services	**3,728,790.00**	0.00
KTZ & ASG Co Ltd	**3,498,984.00**	0.00
Kunjankishor Trading Co.Ltd	**(311,400.00)**	2,398,680.00
Kyaw	**0.00**	880.00
Kyaw Kyar @ Aung Aye Oo	**4,380,578.00**	20,582,500.00
Kyaw Kyaw Tun	**0.00**	61,800.00
Kyaw Oo Lwin	**0.00**	101,150.00
Kyaw Swar Lynn	**4,445,434.00**	1,475,841.58
Kyaw Than Htike	**0.00**	2,049.00
Kyi Zaw Moe Construction Co.Ltd	**0.00**	3,372,567.02
Lin Htit Tay Za Company Ltd	**2,385,950.00**	0.00
M.A.N Family Engineer Service Group	**438,600.00**	1,163,504.00
Man Myo Thu Company Limited	**0.00**	1,083,000.00
Mar Tar Thiri Construction Co.Ltd	**0.00**	3,484,250.00
Maung Chit (Roshan)	**0.00**	1,211,886.00
Max & Best Co.Ltd	**5,695,111.00**	0.00
Max Integrate Co.Ltd	**1,998,852.00**	0.00
May Pan Chi	**0.00**	16,106,250.00
Mega Cosmos Construction Co.Ltd	**(42,000.00)**	915,500.00
Mega Thirty Nine Development Co.Ltd	**529,000.00**	0.00
Metal Prince Co.Ltd	**3,133,502.00**	4,885,330.00
Mg Pyae Phyo Wai	**0.00**	244,040.00
MHM Electrical Group	**0.00**	127,400.00
Min Lwin	**0.00**	300,000.00
Mistral Company Limited	**9,112,500.00**	0.00
Mithi Software Technologies Pvt Ltd	**(2,256,834.00)**	0.00
Mizima Limited	**0.00**	2,646,000.00
MK Kazee Company Limited	**270,000.00**	0.00
MN Infrastructure Private Limited	**22,995,328.00**	0.00
Moe De	**0.00**	170,000.00
Moe Myint Moul Aung & Company Family Limited	**(26,000.00)**	4,867,209.14
Moe Yan Min Pyae	**0.00**	892,200.00

	31st Mar'2017	31st Mar'2016
Mon Yazar Co.Ltd	**0.00**	1,037,944.00
Moon Ray Towers Company Ltd	**(10,800.00)**	22,255,850.00
My Asia Consulting Co Ltd	**0.00**	(213.50)
My Tech Company Limited	**0.00**	878,400.00
Myan Shwe Pyi Tractors Ltd	**0.00**	(80.00)
Myanmar GT Broadband Co Ltd	**4,998,000.00**	0.00
Myanmar HEMAS Power Co.Ltd	**0.00**	1,639,446.44
Myanmar Idel Group	**0.00**	1,372,000.00
Myanmar K Block Company Linited	**0.00**	320,000.00
Myay Latt Htar Ni Co.Ltd	**(2,920,000.00)**	1,545,000.00
Myayarpin Engineering & Trading Co.Ltd	**0.00**	475,000.00
Myint Soe & Friends Group	**0.00**	960,000.00
Nadi Oo Trading Co.Ltd	**1,000.00**	841,000.00
Naing Lin Tun	**0.00**	790,000.00
Nay Win	**0.00**	100,000.00
New Blaze Co.Ltd	**370,000.00**	0.00
Nilar Shwe Sin Trading Co.Ltd	**3,229,000.00**	0.00
Nyein Chan Tower Insatallation Services	**0.00**	455,000.00
OK Kaung Pyae Company Ltd	**4,066,250.00**	447,000.80
Olympic (Battery Trading Ship)	**0.00**	(260,000.00)
One Cloud Co.Ltd	**(953.00)**	1,513,121.40
Pan Taw Oo Company Limited	**5,097,650.00**	1,128,920.00
Panache Service Company Limited	**5,032,575.00**	0.00
Patel Tele Networking Co.Ltd	**1,344,400.00**	7,946,000.00
Peace & Fine Construction Commpany	**32,915,915.00**	100,190,300.00
Perfect Ambition Group	**(199,300.00)**	2,779,600.00
Perspective Engineering Co.Ltd	**0.00**	2,846,000.00
Phone Lattyar Construction Co.Ltd	**4,218,400.00**	1,960,000.00
Phyo Htet Paing Engineering Group Co.Ltd	**(3,056,083.00)**	0.00
Pioneer Power Tools Co.Ltd	**1,307,320.00**	0.00
Popa Myanmar Alliance Company Limited	**173,795.00**	6,578,550.00
Power Link Investment Co.Ltd	**194,303.00**	0.00
Pro JS–Techno Co. Ltd	**182,238.00**	0.00
Professional Connect	**613.00**	0.00
Promers Company Limited	**260,000.00**	920,000.00
Pyae Maung Maung Family Co.Ltd	**491,150.00**	0.00
Pyi Shwe Bo Multi Development Public Co.Ltd	**(275,993.00)**	0.00
Qingdao Huijintong Power Equipment Co.Ltd	**11,661,101.00**	142,287,039.58
Ra B Kan	**0.00**	239,000.00
Rajar Telecommunications Limited	**180,500.00**	0.00
Rajgar Telecommunications Limited	**0.00**	2,223,800.00
Rangooners Co.Ltd	**350,000.00**	0.00
Rohan Infotech	**(15,746,082.00)**	0.00
Rosenberger Technology(Kunshan)Co Ltd	**1,103.00**	0.00
Royal Construction Group	**0.00**	1,723,000.00
Royal Green Light Co.Ltd	**0.00**	1,320,000.00

	31st Mar'2017	31st Mar'2016
Royal Kaung Mon Co.Ltd	**2,477,250.00**	0.00
Royal Lotus Hotel	**0.00**	3,671,184.05
Royal Marine Trading Co.Ltd	**0.00**	(8,000.00)
Royal Techno Net Group	**512,000.00**	5,558,200.00
RR Infra Ltd	**2,702,481.00**	0.00
RYNSB Engineering Company Limited	**0.00**	140,000.00
Salween Motors Pte Ltd	**2,117,800.00**	6,135,330.00
San Lwin	**0.00**	881,000.00
San San Aye	**0.00**	1,026,623.00
Saw Khine Trading Co.Ltd	**0.00**	62,365,050.00
SD Zay Yar Lwin Co.Ltd	**0.00**	5,811,560.00
Sense Capital Company Limited	**(451,068.00)**	0.00
Shan Thit Sar Co.Ltd	**175,000.00**	1,510,000.00
Sharma Jit Family	**0.00**	285,000.00
Shein Htet Zaw	**0.00**	3,312,000.00
Shilpa Design & Building Services Co.Ltd	**1,401,400.00**	238,000.00
Shukhintha Construction Co.Ltd	**0.00**	574,320.00
Shwe Ein Machinery Ltd	**11,618,693.00**	8,851,961.57
Shwe Hnin Satt Co.Ltd	**4,849,600.00**	0.00
Shwe Htee Ngwe Htee Co.Ltd	**0.00**	330,000.00
Shwe Lu Pyan Construction & Decoration	**196,000.00**	22,573,500.00
Shyam Services	**(151,136.00)**	5,744,580.42
Smile Mann Myot Taw Co.Ltd	**1,066,550.00**	28,528,640.00
Soe Win Aung Engineering Group	**0.00**	700,000.00
Solusys Consulting Myanmar Limited	**5,516,165.00**	0.00
Speed Net Co.Ltd	**7,862,101.00**	32,811,014.00
SRI V.M.M Trading Company Ltd	**28,371,651.00**	0.00
Steel World Construction Group	**0.00**	250,000.00
Success Glory	**0.00**	7,816,714.00
Sule Tech Solutions Co.Ltd	**733,796.00**	2,129,559.14
Suntac Engineering & Construction–CRS	**(7,968,477.00)**	17,377,706.00
Suntac Technologies(CR)	**0.00**	2208510.77
Sweet Furniture Mart	**0.00**	(27,900.00)
Sxila Engineering Group	**240,000.00**	0.00
Synergy Seven Co.Ltd	**0.00**	240,000.00
Tai An Hubang Communications Technology	**0.00**	11,096,160.00
Taw Win Tun	**0.00**	1470000
Tet Nay Lin Company Limited	**0.00**	466,000.00
Than & Chan Co.Ltd	**1,749,492.00**	0.00
Than Naing Soe	**2,156,000.00**	0.00
The Sun Circle Engi & Construction Co Ltd	**1,332,500.00**	0.00
Thein Toe Aung Co Ltd	**0.00**	100,000.00
Thein Tun Aung	**(1,500,655.00)**	6,080,810.00
Thet Naung Soe Group	**0.00**	1,542,048.00
Thet Paing Soe Transport Services	**0.00**	(20,000.00)
Thiha Salt & Sugar Trading	**0.00**	300,000.00

	31st Mar'2017	31st Mar'2016
Thiri Cho Trading Co.Ltd	**2,957,180.00**	0.00
Three Gems Co.Ltd	**1,749,492.00**	0.00
Tin Yu	**0.00**	500,000.00
Titan Star Co.Ltd	**2,626,500.00**	0.00
Top Trust Travels & Tours Co.Ltd	**250,000.00**	0.00
Traditional Land Co.Ltd	**0.00**	500,000.00
Triple Gems Development Company Limited	**4,515,861.00**	11,278,471.00
True Myanmar Co.Ltd	**0.00**	669,200.00
Trust Technologies Limited	**0.00**	2,891,000.00
Tun Shwe	**0.00**	790,780.00
Tun Tun Aung	**0.00**	1,584,720.00
U Hla Myo Aung	**0.00**	890,000.00
U Khin Maung Oo	**0.00**	550,000.00
U Ngwe San	**0.00**	190,300.00
U Than Htike	**0.00**	416,840.00
U Than Ohn & Sons Co.Ltd	**0.00**	479,520.00
U Yay Chann Construction Groups	**0.00**	770,000.00
Union Power Team Company	**18,412,305.00**	24,308,630.00
Unique Standard Co.Ltd	**2,255,960.00**	0
United Technical Power Engineering Co.Ltd	**0.00**	3,118,000.00
Vandana Co Ltd	**3,549,000.00**	0.00
Vidath Engineering Services Myanmar Co.Ltd	**0.00**	2,596,000.00
Wai Hin Yan Transportation & Construction Co.Ltd	**53,972,677.00**	0.00
Wai Lin Aung	**0.00**	593,700.00
Wai Yan	**0.00**	689740
Win Myint	**(500,000.00)**	0.00
Win Thin & Associates	**(68,100.00)**	(693311.60)
Wincom Workforce Solutions	**17,758,915.00**	0.00
Yadanar Thiengi Construction Group	**0.00**	1,392,300.00
Yadanar Thukha Company Limited	**346,500.00**	26,863,580.00
Yaung Sin Ni Construction Co Ltd	**1,428,292.00**	0.00
Yaung Chi Linn Thit Co.Ltd	**0.00**	690,000.00
Yaw Ayar(SU PAUNG)CO.LTD	**110,000.00**	500,000.00
Ye Kyaw Win	**(140,000.00)**	450,000.00
Ye Yint Aung Transport & Service	**0.00**	2,058,000.00
Zalatni Stationery	**0.00**	181,560.60
Zaw Min Oo	**0.00**	1,313,400.00
Zaw Myo Aye	**3,976,000.00**	19,372,700.00
Zaw Win Than	**0.00**	1,037,210.00
Zaw Zaw	**190,000.00**	190,000.00
Zayar Lwin Company Limited	**23,889,725.00**	0.00
Zayar Star Co.Ltd	**3,518,050.00**	10,682,000.00
Zenith Infrastructure Co.Ltd	**3,754,574.00**	0.00
Zenith Trust Group Company Ltd	**0.00**	2,639,910.00
Zin Myint Aung	**(8,008.00)**	816,030.86
	2,114,888,287.00	2,535,171,375.00

11. Others

The above consist of:

	31st Mar'2017	31st Mar'2016
Project Management Support Services–Payable	**0.00**	203,770,882.00
Salary Payable	**302,574.00**	54,709,736.00
Retention Payable	**111,840,845.00**	0.00
Disputed Creditors Payable	**26,955,599.00**	0.00
Advances From Customers	**199,301,293.00**	167,283,096.00
Un–Earned Income	**177,655,317.00**	648,447,714.00
	516,055,628.00	1,074,211,428.00

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'2017	31st Mar'2016
Provision of income Tax 2016–17	**452,421,518.00**	0.00
Provision of income Tax 2015–16	**485,163,916.00**	485,163,916.00
Provision of Income Tax 2014–15	**30,611,410.00**	30,611,410.00
Contingency Provision for 2015–16	**0.00**	136,819,966.00
Contingency Provision for 2016–17	**109,697,685.00**	0.00
Provision For Dividend	**5,108.00**	0.00
Provision for Expenses	**964,547,436.00**	472,091,388.00
Provision COGS Projects Material	**35,387,686.00**	80,088,410.00
Provision COGS Projects Services	**1,020,378,652.00**	939,230,106.00
	3,098,213,411.00	2,144,005,196.00

13. Revenue (Ks 21,692,716,354.00)

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, Irrawaddy Green Towers Ltd, Telenor Myanmar Limited, Ooredoo Myanmar Limited and KBZ Getway.

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'2017	31st Mar'2016
Opening Stock	**110,416,136.00**	–
Air Fare – Delivery	**17,960,581.00**	1,489,789.61
Bonus / Incentive – Delivery	**301,150,000.00**	208,571,501.00
BTS & MICROWAVE Installation	**0.00**	125,924,393.00
Clearing And Forwarding Charges	**7,250,802.00**	25,734,568.00
Contingency	**155,156,991.00**	136,819,966.00

	31st Mar'2017	31st Mar'2016
Conveyance – Delivery	**280,820,674.00**	159,024,355.00
Cost Of Services/Cos Turnkey	**5,352,737,684.00**	4,493,874,593.11
Custom Duty	**82,876,108.00**	–
DG Charges	**0.00**	3,154,000.00
DG R&M Materials	**0.00**	12,178,725.00
Employees Salary – Delivery	**385,588,629.00**	619,378,955.05
Entertainment Expenses – Delivery	**818,465.00**	–
Equipment Hire Charges	**9,992,000.00**	3,040,000.00
Fooding Charges – Delivery	**11,952,757.00**	4,225,796.00
Freight Charges	**0.00**	45,225.00
Fuel Expenses – Project	**6,553,961.00**	–
Fuel Filling Charges	**0.00**	62,562,096.00
Guesthouse Expenses	**59,147,730.00**	–
Imprest Expenses Provision Fy 16–17	**(425,398.00)**	62,627,492.00
Income Tax Paid – Delivery	**2,344,083.00**	–
Inland Travelling – Delivery	**193,016,263.00**	12,463,410.00
Insurance Premium	**26,728,078.00**	–
Labour Charges	**50,323,880.00**	66,409,390.00
Lodging Charges Projects Team	**0.00**	137,479,046.25
Material Purchases	**2,678,567,792.00**	2,097,151,465.21
Other Service Charges	**405,178,565.00**	–
Outsourced Manpower Charges – Delivery	**1,021,495,334.00**	2,747,842,213.00
Outsourced Service Charges	**43,432,600.00**	121,316,644.58
Professional & Consultancy Charges	**0.00**	27,864,419.90
Project Execution Expense	**0.00**	226,079,718.29
Project Management Charges – Delivery	**2,437,493,406.00**	–
Project Management Expenses	**3,471,050,000.00**	1,215,764,000.00
Project Penalities/Damages	**2,066,305.00**	–
Rent Guest House	**128,753,334.00**	–
Rent Ware House	**36,645,916.00**	–
Repairs & Maintenance – Project	**653,600.00**	5,352,760.00
Security Charges	**12,987,849.00**	–
Social Security Benefit Paid	**0.00**	455,500.00
Ssb Paid – Delivery	**882,045.00**	–
Staff Welfare Expense – Delivery	**19,374,730.00**	3,477,680.00
Subscription And Membership Fees	**9,927,665.00**	–
Telephone & Internet – Delivery	**61,006,491.00**	–
Toll & Parking Charges – Project	**5,783,259.00**	5,273,389.00
Transportation Expenses	**268,498,311.00**	233,636,202.00
Vehicle Hire Charges – Project	**547,190,636.00**	534,005,942.00
Visa Exps – Delivery	**113,727,203.00**	5,190,963.00
With Holding Tax Expense Out	**56,697,638.00**	–
Less: Closing Stock	**(151,532,065.00)**	–
	18,224,290,038.00	13,358,414,198.00

15. Administration Expenses

General and administration expenses consist of:

	31st Mar'2017	31st Mar'2016
Air Fare – Admin & Support	**10,216,811.00**	239,727,383.39
Air Fare – Sales & Mktg.	**7,448,959.00**	–
Audit Fees	**14,850,600.00**	9,154,500.00
Auditors Remuneration Out Of Pocket	**1,634,325.00**	–
Bank Charges	**15,514,572.00**	8,536,886.39
Bonus / Incentive – Admin & Support	**45,000,000.00**	–
Bonus / Incentive – Sales & Mktg.	**431,534,322.00**	123,437,662.00
Bonus / Incentive To Outsourced – Sales & Mktg.	**0.00**	–
Books And Periodicals	**25,500.00**	–
Business Promotion	**0.00**	5,072,402.00
Car Hire – Admin & Support	**20,735,774.00**	1,890,600.00
Car Hire – Sales & Mktg.	**9,224,293.00**	–
Commission /Brokerage	**7,605,000.00**	13,887,900.04
Conveyance – Admin & Support	**13,987,750.00**	134,057,670.65
Conveyance – Sales & Mktg.	**273,500.00**	–
Cook & Cleaning Expenses	**0.00**	24,555,497.00
Depreciation P&L A/c	**95,310,096.00**	42,432,768.00
Donation	**0.00**	10,131,000.00
Electricity Charges	**36,313,970.00**	36,408,959.00
Employee Welfare	**0.00**	2,093,920.00
Employees Salary – Admin & Support	**198,160,594.00**	–
Employees Salary – Sales & Mktg.	**391,355,171.00**	–
Entertainment Expenses – Admin & Support	**347,500.00**	–
Entertainment Expenses – Sales & Mktg.	**4,912,771.00**	–
Fees & Subscriptions	**0.00**	350,000.00
Fooding Charges – Admin & Support	**100,000.00**	23,712,477.00
Godown Rent	**0.00**	2,335,246.00
Guesthouse Expenses	**0.00**	86,796,162.00
Guesthouse Rent	**0.00**	57,057,842.60
Hotel Charges(Corporate)	**0.00**	5,600,069.70
Income Tax Paid – Admin & Support	**1,463,267.00**	109,416,079.00
Income Tax Paid – Sales And Mkt	**3,322,292.00**	–
Inland Travelling – Admin & Support	**2,529,335.00**	9,426,885.07
Inland Travelling – Corporate	**35,990,977.00**	–
Inland Travelling – Sales & Mktg.	**8,000,433.00**	–
Lodging Charges	**0.00**	60,905,009.00
Loss of Assets	**0.00**	309,029.00
Medical Reimbursement	**0.00**	1,657,810.00
Miscellaneous Charges	**0.00**	1,774,160.00
Office Expenses	**34,234,179.00**	–
Out of Pocket Expenses	**0.00**	1,471,217.52
Outsourced Manpower Charges – Admin & Support	**49,842,850.00**	–
Outsourced Manpower Charges – Sales & Mktg.	**5,038,741.00**	–

	31st Mar'2017	31st Mar'2016
Printing And Stationery	**25,890,690.00**	22,900,081.00
Professional And Consultancy	**49,750,618.00**	–
Project Management Charges – Admin & Support	**65,696,604.00**	–
Project Management Charges – Sales & Mktg.	**13,701,579.00**	–
Reimbursable Diesel Expenses	**0.00**	–
Rent Office Premises	**69,194,713.00**	60,068,879.00
Repairs And Maintenance	**6,081,710.00**	–
Rounding Off	**8,773.00**	–
Ssb Paid – Admin & Support	**771,870.00**	–
Ssb Paid – Sales And Mkt	**215,965.00**	–
Staff Welfare Expense – Admin & Support	**40,464,130.00**	28,433,235.00
Staff Welfare Expense – Sales & Mktg.	**1,639,650.00**	–
Stamp Duty Charges	**3,332,350.00**	5,059,250.00
Telephone & Internet – Admin & Support	**16,850,350.00**	82,383,361.00
Telephone & Internet – Sales & Mktg.	**296,333.00**	–
Visa Exps – Admin & Support	**10,236,902.00**	93,035,308.34
Visa Exps – Sales & Mktg.	**1,602,344.00**	–
Warehouse Rent	**0.00**	13,488,295.00
Warehouse Security Charges	**0.00**	1,050,000.00
With Holding Tax Borne by Us 3.5%	**0.00**	22,784,037.47
Written Off Bal	**(1,061,877.00)**	(234,780.17)
	1,749,646,286.00	1,341,166,802.00

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	3,471,050,000.00
Dividend	1,031,244,892.00
Accounts payable	1,539,638,850.00
GTL Europe Limited	
Shares	1,000.00
Dividend	5,156.25

17. Authorization of Financial Statements

The financial statements of the entity for the year ended March 31, 2017 were authorized for issue on April 7, 2017.

GLOBAL Group Enterprise

GTL Limited

"Global Vision",
Electronic Sadan–II, MIDC, TTC Industrial Area,
Mahape, Navi Mumbai – 400 710, Maharashtra, India.
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