

TATA COMMUNICATIONS SUBSIDIARY AND ASSOCIATE FINANCIAL STATEMENTS 2017-18

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ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications International Pte. Ltd.** ("the subsidiary") registered in Singapore as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar Varma
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
		USD	INR*	USD	INR*
(A) ASSETS					
(1) Non-current assets					
Property, plant and equipment	1	51,099,596	3,330,671,667	50,910,881	3,305,134,395
Capital work-in-progress		3,020,732	196,891,312	2,899,484	188,234,501
Other intangible assets	2	557,144	36,314,646	702,029	45,575,722
Investments in subsidiaries & associates	3	218,516,888	14,242,930,759	225,991,565	14,671,372,399
Financial assets					
(i) Investments -others	4	376,004	24,507,941	-	-
(ii) Loans	5	3,341,282	217,784,761	78,136,781	5,072,639,823
(iii) Other financial assets	6	143,209	9,334,363	134,500	8,731,740
Non current tax asset		96,061	6,261,256	-	-
Other non-current assets	7	6,140,881	400,262,624	7,701,321	499,969,759
		283,291,797	18,464,959,329	366,476,561	23,791,658,339
(2) Current assets					
Financial assets					
(i) Trade receivables	8	27,488,618	1,791,708,121	26,876,224	1,744,804,462
(ii) Cash and cash equivalent	9	2,229,983	145,350,292	12,322,463	799,974,298
(iii) Other financial assets	10	2,527,691	164,754,899	742,097	48,176,936
Other current assets	11	5,185,602	337,997,539	4,125,683	267,839,340
		37,431,894	2,439,810,851	44,066,467	2,860,795,036
TOTAL ASSETS		320,723,691	20,904,770,180	410,543,028	26,652,453,375
(B) EQUITY AND LIABILITIES					
(1) Equity					
Equity share capital	12	423,149,234	27,580,867,072	191,102,863	12,406,397,866
Other equity	13	(343,343,326)	(22,379,117,988)	(92,990,802)	(6,036,962,869)
Total Equity		79,805,908	5,201,749,084	98,112,061	6,369,434,997
(2) Non-current liabilities					
Financial liabilities					
(i) Borrowings	14	27,771,541	1,810,149,042	42,884,439	2,784,057,780
(ii) Other financial liabilities	15	33,558,026	2,187,312,135	33,597,596	2,181,155,932
Provisions	16	11,174,661	728,364,404	9,108,655	591,333,883
Deferred tax liabilities (Net)		386,528	25,193,895	-	-
Other non current liabilities (Deferred revenue)		50,697,973	3,304,493,880	57,140,510	3,709,561,909
		123,588,729	8,055,513,356	142,731,200	9,266,109,504
(3) Current liabilities					
Financial liabilities					
(i) Borrowings	17	55,112,354	3,592,223,233	88,498,279	5,745,308,273
(ii) Trade payables	18	27,464,821	1,790,157,033	42,483,205	2,758,009,668
(iii) Other financial liabilities	19	16,174,825	1,054,275,094	21,266,530	1,380,623,128
Other current liabilities	20	17,530,145	1,142,614,851	16,488,410	1,070,427,577
Provisions	21	600,911	39,167,379	470,700	30,557,844
Current tax liabilities (Net)		445,998	29,070,150	492,643	31,982,384
		117,329,054	7,647,507,740	169,699,767	11,016,908,874
TOTAL EQUITY AND LIABILITIES		320,723,691	20,904,770,180	410,543,028	26,652,453,375

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	22	153,031,932	9,974,621,328	142,814,006	9,271,485,270
ii	Other Income	23	12,654,331	824,809,295	3,033,346	196,924,823
iii	Total income (i + ii)		165,686,263	10,799,430,623	145,847,352	9,468,410,093
iv	Expenses:					
	Network and transmission expenses	24	83,953,905	5,472,115,528	78,608,497	5,103,263,626
	Employee benefits expenses	25	29,614,999	1,930,305,634	23,539,014	1,528,152,790
	Operating and other expenses	26	37,462,015	2,441,774,138	27,074,332	1,757,665,633
	Finance costs	27	4,927,840	321,196,611	20,678,617	1,342,455,816
	Depreciation and amortisation expenses		11,930,467	777,627,839	9,744,606	632,619,822
	Total expenses		167,889,226	10,943,019,750	159,645,066	10,364,157,687
v	(Loss) / profit before exceptional items and taxes (iii - iv)		(2,202,963)	(143,589,127)	(13,797,714)	(895,747,594)
vi	Exceptional items:					
	Staff cost optimisation		(383,081)	(24,969,220)	(336,318)	(21,833,765)
	Allowance for loans receivables		(6,747,333)	(439,791,165)	33,270,020	2,159,889,698
	Impairment of investment		(8,022,064)	(522,878,132)	-	-
vii	(Loss) / profit before taxes (v + vi)		(17,355,441)	(1,131,227,644)	19,135,988	1,242,308,339
viii	Tax expenses					
	(i) Current tax expense/(benefit)		445,998	29,070,150	-	-
	(ii) Deferred tax expense/(benefit)		386,528	25,193,895	-	-
	Net tax expenses		832,526	54,264,045	-	-
ix	(Loss) / profit for the year (vii-viii)		(18,187,967)	(1,185,491,689)	19,135,988	1,242,308,339
B	DISCONTINUED OPERATIONS					
i	Profit/(loss) before exceptional item and tax from discontinued operations			-	8,252,932	535,780,345
ii	Profit on disposal of subsidiaries			-	109,661,846	7,119,247,042
iii	Profit from discontinued operations (before tax) (i+ii)		-	-	117,914,778	7,655,027,387
iv	Tax expense on discontinued operations			-	117,914,778	7,655,027,387
v	Profit from discontinued operations (iii - iv)		-	-	-	-
C	(Loss) / profit for the year		(18,187,967)	(1,185,491,689)	137,050,766	8,897,335,726

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	7,306,612	476,244,970	2,957,571	192,005,509
Cables	82,857,955	5,400,681,507	80,085,449	5,199,147,349
Plant and machinery	59,450,618	3,874,991,281	56,262,278	3,652,547,088
Furniture and fixtures	901,057	58,730,895	97,889	6,354,954
Computers	2,449,516	159,659,453	2,112,231	137,126,037
Office equipment	479,398	31,247,162	334,765	21,732,944
(a)	153,445,156	10,001,555,268	141,850,183	9,208,913,881
Accumulated depreciation:				
Lease hold improvement	3,567,233	232,512,247	1,335,005	86,668,525
Cables	54,099,723	3,526,219,945	49,222,861	3,195,548,136
Plant and machinery	42,098,954	2,744,009,822	38,120,146	2,474,759,878
Furniture and fixtures	171,352	11,168,723	60,539	3,930,192
Computers	2,066,320	134,682,738	1,893,316	122,914,075
Office equipment	341,978	22,290,126	307,435	19,958,680
(b)	102,345,560	6,670,883,601	90,939,302	5,903,779,486
Net block (a) - (b)	51,099,596	3,330,671,667	50,910,881	3,305,134,395

2 Other intangible assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Computer software	2,787,964	181,719,494	2,703,960	175,541,083
(a)	2,787,964	181,719,494	2,703,960	175,541,083
Accumulated amortisation:				
Computer software	2,230,820	145,404,848	2,001,931	129,965,361
(b)	2,230,820	145,404,848	2,001,931	129,965,361
Net block (a) - (b)	557,144	36,314,646	702,029	45,575,722

3 Investments in subsidiaries & associates

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Investments in subsidiaries	203,885,074	13,289,229,123	203,387,020	13,203,885,338
Impairment of investment in subsidiaries	(18,645,064)	(1,215,285,272)	(10,623,000)	(689,645,160)
Investments in associates	33,276,878	2,168,986,908	33,227,545	2,157,132,221
Total	218,516,888	14,242,930,759	225,991,565	14,671,372,399



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4 Financial asset - Investment others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Investments - others	494,190	32,211,304	-	-
Impairment of investment - others	(118,186)	(7,703,363)	-	-
Total	376,004	24,507,941	-	-

5 Non-current assets - financial assets - loans

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans given	10,088,615	657,575,926	492,691,130	31,985,508,160
Allowances for loan receivables	(6,747,333)	(439,791,165)	(470,924,135)	(30,572,394,844)
Loan to others	-	-	56,369,786	3,659,526,507
Total	3,341,282	217,784,761	78,136,781	5,072,639,823

6 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Vendor deposits	143,209	9,334,363	134,500	8,731,740
Total	143,209	9,334,363	134,500	8,731,740

7 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	6,140,881	400,262,624	7,701,321	499,969,759
Total	6,140,881	400,262,624	7,701,321	499,969,759

8 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	27,415,907	1,786,968,818	28,413,265	1,844,589,164
Intercompany receivables	1,792,830	116,856,659	-	-
Provision for doubtful debts	(1,720,119)	(112,117,356)	(1,537,041)	(99,784,702)
Total	27,488,618	1,791,708,121	26,876,224	1,744,804,462



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

9 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Cash in hand	8,009	522,027	100,458	6,521,733
Balance with bank	2,221,974	144,828,265	12,222,005	793,452,565
Total	2,229,983	145,350,292	12,322,463	799,974,298

10 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Security Deposit	245	15,969	245	15,905
Advances to employees	787,283	51,315,106	18,034	1,170,767
Forward Premium	109,677	7,148,747	-	-
Interest Receivable	1,531,628	99,831,513	532,973	34,600,607
Others	98,858	6,443,564	190,845	12,389,657
Total	2,527,691	164,754,899	742,097	48,176,936

11 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	14,164	923,210	5,000	324,600
Prepaid expenses	4,618,392	301,026,791	4,120,683	267,514,740
Indirect tax receivable	553,046	36,047,538	-	-
Total	5,185,602	337,997,539	4,125,683	267,839,340

12 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	423,149,234	27,580,867,072	191,102,863	12,406,397,866
Total	423,149,234	27,580,867,072	191,102,863	12,406,397,866



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

13 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(325,037,173)	(21,185,922,936)	(459,508,338)	(29,831,281,303)
Profit / (loss) for the year	(18,187,967)	(1,185,491,689)	137,050,766	8,897,335,726
Dividend	-	-	(2,579,601)	(167,467,697)
Closing balance	(343,225,140)	(22,371,414,625)	(325,037,173)	(21,101,413,274)
Share premium	-	-	232,046,371	15,064,450,405
OCI Investment	(118,186)	(7,703,363)	-	-
Total	(343,343,326)	(22,379,117,988)	(92,990,802)	(6,036,962,869)

14 Non-current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Loan from banks	27,771,541	1,810,149,042	42,884,439	2,784,057,780
Total	27,771,541	1,810,149,042	42,884,439	2,784,057,780

15 Non-current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Dividend payable	33,461,000	2,180,987,980	33,461,000	2,172,288,120
Lease equalisation	97,026	6,324,155	136,596	8,867,812
Total	33,558,026	2,187,312,135	33,597,596	2,181,155,932

16 Non-current liabilities - provisions

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Asset retirement obligation and others	9,748,577	635,412,249	7,976,991	517,866,256
Retention liability	1,426,084	92,952,155	1,131,664	73,467,627
Total	11,174,661	728,364,404	9,108,655	591,333,883



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

17 Current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Loan from bank	43,333,752	2,824,493,955	40,000,000	2,596,800,000
Inter company loans taken	11,778,602	767,729,278	48,498,279	3,148,508,273
Total	55,112,354	3,592,223,233	88,498,279	5,745,308,273

18 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	27,464,821	1,790,157,033	26,159,694	1,698,287,334
Inter Company - Payables	-	-	16,323,511	1,059,722,334
Total	27,464,821	1,790,157,033	42,483,205	2,758,009,668

19 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Current portion of long term loans	15,112,898	985,058,692	16,731,340	1,086,198,593
Deposit from customers and contractors	288,446	18,800,910	1,166,862	75,752,681
Interest accrued but not due	224,381	14,625,154	3,220,411	209,069,082
Derivative Liabilities	-	-	147,917	9,602,772
Others	549,100	35,790,338	-	-
Total	16,174,825	1,054,275,094	21,266,530	1,380,623,128

20 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Deferred revenue and advance from customers	11,448,536	746,215,576	11,083,894	719,566,398
Other Employee dues	6,065,917	395,376,470	4,894,760	317,767,819
Other Statutory dues	-	-	500,889	32,517,714
Others	15,692	1,022,805	8,867	575,646
Total	17,530,145	1,142,614,851	16,488,410	1,070,427,577



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

21 Current liabilities - provisions

Particulars	- Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Leave entitlement	600,911	39,167,379	470,700	30,557,844
Total	600,911	39,167,379	470,700	30,557,844

22 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	153,031,932	9,974,621,328	142,814,006	9,271,485,270
Total	153,031,932	9,974,621,328	142,814,006	9,271,485,270

23 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Guarantee commission income	6,751,032	440,032,266	-	-
Interest income - others	639,814	41,703,077	326,063	21,168,010
Interest on loan to subsidiaries	2,525,605	164,618,934	348,374	22,616,440
Profit on sale of fixed assets	1	65	1	65
Exchange gain -Net	-	-	497,316	32,285,755
Miscellaneous income	2,737,879	178,454,953	1,861,592	120,854,553
Total	12,654,331	824,809,295	3,033,346	196,924,823

24 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	83,903,505	5,468,830,456	78,558,316	5,100,005,875
Rent of satellite channels	50,400	3,285,072	50,181	3,257,751
Total	83,953,905	5,472,115,528	78,608,497	5,103,263,626

25 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	28,247,074	1,841,144,283	22,330,792	1,449,715,017
Contribution to provident and other funds	1,139,063	74,244,126	983,030	63,818,308
Staff welfare expenses	228,862	14,917,225	225,192	14,619,465
Total	29,614,999	1,930,305,634	23,539,014	1,528,152,790



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

26 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Advertising and publicity	1,166,537	76,034,882	1,072,439	69,622,740
Auditors remuneration	57,757	3,764,601	50,374	3,270,280
Communication expenses	243,703	15,884,562	256,894	16,677,558
CSR expenses	26,435	1,723,033	30,199	1,960,519
Directors fees	39,303	2,561,770	73,887	4,796,744
Electricity	1,477,109	96,277,965	951,143	61,748,204
Entertainment expenses	56,849	3,705,418	59,199	3,843,199
Exchange loss -Net	71,847	4,682,987	-	-
Insurance expenses	60,480	3,942,086	27,364	1,776,471
IT consumables	37,058	2,415,440	39,150	2,541,618
Legal and professional fees	1,601,669	104,396,785	(590,602)	(38,341,882)
Miscellaneous expenses	6,845,583	446,195,101	4,219,493	273,929,487
Printing and stationery	59,586	3,883,815	38,183	2,478,840
Provision for doubtful debts	183,078	11,933,024	572,716	37,180,723
Rates and Taxes	1,066,095	69,488,072	258,133	16,757,994
Recruitment expenses	797,739	51,996,628	563,318	36,570,605
Relocation Expense	49,127	3,202,098	91,644	5,949,528
Rent	2,407,945	156,949,855	603,060	39,150,655
Repairs and Maintenance	16,505,838	1,075,850,521	14,275,386	926,758,059
- Plant & Machinery				
Repairs and Maintenance -Building	6,415	418,130	4,280	277,858
Seminars, trainings and conferences	205,446	13,390,970	229,758	14,915,889
Services rendered by agencies	2,106,295	137,288,308	2,039,432	132,399,925
Bad debts written off	499,290	32,543,722	-	-
Travelling and conveyance expenses	1,890,831	123,244,365	2,208,882	143,400,619
Total	37,462,015	2,441,774,138	27,074,332	1,757,665,633

27 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	4,927,840	321,196,611	18,932,788	1,229,116,597
Guarantee fees	-	-	1,745,829	113,339,219
Total	4,927,840	321,196,611	20,678,617	1,342,455,816



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications Lanka Limited** ("the subsidiary") registered in Colombo as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar Varma
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

Tata Communications Lanka Limited

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
			USD	INR*	USD	INR*
(A) ASSETS						
(1) Non-current assets						
Property, plant and equipment	1		1,070,681	69,786,994	1,315,869	85,426,195
Capital work-in-progress			-	-	16,999	1,103,578
Other intangible assets	2		459,136	29,926,514	549,209	35,654,678
Financial assets						
(i) Other financial assets	3		-	-	33	2,169
Other non-current assets	4		174,634	11,382,665	232,827	15,115,152
			1,704,452	111,096,174	2,114,938	137,301,772
(2) Current assets						
Inventories			118,369	7,715,298	203,370	13,202,778
Financial assets						
(i) Trade receivables	5		2,386,903	155,578,345	3,711,793	240,969,596
(ii) Cash and cash equivalent	6		5,805,533	378,404,625	9,791,821	635,685,002
(iii) Other financial assets	7		166,316	10,840,460	69,187	4,491,623
Other current assets	8		1,097,469	71,532,999	316,033	20,516,858
			9,574,589	624,071,727	14,092,204	914,865,857
TOTAL ASSETS			11,279,041	735,167,901	16,207,142	1,052,167,629
(B) EQUITY AND LIABILITIES						
(1) Equity						
Equity share capital	9		1,197,348	78,043,127	1,197,348	77,731,817
Other equity	10		7,594,069	494,981,442	12,068,803	783,506,717
Total Equity			8,791,417	573,024,569	13,266,151	861,238,534
(2) Non-current liabilities						
Provisions	11		27,026	1,761,536	9,774	634,527
Deferred tax liabilities (Net)			175,379	11,431,219	175,379	11,385,620
			202,405	13,192,755	185,153	12,020,147
(3) Current liabilities						
Financial liabilities						
(i) Trade payables	12		1,321,276	86,120,737	2,241,612	145,525,482
(ii) Other financial liabilities	13		687	44,783	6,476	420,420
Other current liabilities	14		922,444	60,124,910	434,307	28,195,207
Provisions	15		40,812	2,660,148	73,442	4,767,840
			2,285,219	148,950,578	2,755,837	178,908,948
TOTAL EQUITY AND LIABILITIES			11,279,041	735,167,901	16,207,142	1,052,167,629

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR*	USD	INR*
i	Revenue from telecommunications services	16	11,389,673	742,378,877	15,240,879	989,437,843
ii	Other Income	17	566,963	36,954,650	535,969	34,795,105
iii	Total income (i + ii)		11,956,636	779,333,527	15,776,848	1,024,232,947
iv	Expenses:					
	(i) Network and transmission expenses	18	6,304,676	410,938,760	9,607,791	623,737,765
	(ii) Employee benefits expenses	19	680,176	44,333,888	676,618	43,926,048
	(iii) Operating and other expenses	20	1,586,213	103,389,336	1,527,652	99,175,151
	(iv) Depreciation and amortisation expenses		363,823	23,713,972.06	468,977	30,445,969
	Total expenses		8,934,887	582,375,956	12,281,037	797,284,934
v	Profit before taxes (iii-iv)		3,021,749	196,957,571	3,495,810	226,948,014
vi	Tax expenses					
	(i) Current tax expense/(benefit)		76,220	4,968,046	134,361	8,722,686
	(ii) Deferred tax expense/(benefit)		-	-	(60,470)	(3,925,711)
	Net tax expenses		76,220	4,968,046	73,891	4,796,975
vii	Profit / (loss) for the year (v-vi)		2,945,528	191,989,525	3,421,920	222,151,039

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	3,252,014	211,966,267	3,225,855	209,422,512
Furniture and fixtures	94,840	6,181,684	94,840	6,157,025
Computers	224,440	14,628,967	223,495	14,509,294
Office equipment	41,884	2,730,005	40,425	2,624,403
(a)	3,613,178	235,506,922	3,584,615	232,713,234
Accumulated depreciation:				
Plant and machinery	2,296,767	149,703,262	2,069,307	134,339,386
Furniture and fixtures	50,761	3,308,585	40,136	2,605,654
Computers	164,646	10,731,600	134,012	8,700,053
Office equipment	30,323	1,976,481	25,292	1,641,947
(b)	2,542,497	165,719,928	2,268,747	147,287,040
Net block (a) - (b)	1,070,681	69,786,994	1,315,869	85,426,195

2 Other intangible assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Computer software	16,436	1,071,328	16,436	1,067,054
License Fees	823,656	53,685,892	823,656	53,471,741
(a)	840,092	54,757,219	840,092	54,538,795
Accumulated amortisation:				
Computer software	15,805	1,030,174	13,861	899,860
License Fees	365,151	23,800,531	277,022	17,984,257
(b)	380,956	24,830,705	290,883	18,884,117
Net block (a) - (b)	459,136	29,926,514	549,209	35,654,678

3 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Vendor deposits	-	-	33	2,169
Total	-	-	33	2,169

4 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Advance Income tax Paid	174,033	11,343,468	228,079	14,806,891
Capital Advances	601	39,197	4,748	308,262
Total	174,634	11,382,665	232,827	15,115,152



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	1,285,205	83,769,642	2,204,423	143,111,111
Intercompany receivables	1,181,897	77,036,016	1,709,815	111,001,204
Provision for doubtful debts	(80,198)	(5,227,313)	(202,445)	(13,142,719)
Total	2,386,903	155,578,345	3,711,793	240,969,596

6 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Cash in hand	50,558	3,295,370	-	-
Balance with bank	5,754,975	375,109,254	9,791,821	635,685,002
Total	5,805,533	378,404,625	9,791,821	635,685,002

7 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Security Deposit	43,708	2,848,872	36,242	2,352,803
Interest Receivable	122,608	7,991,587	32,945	2,138,819
Total	166,316	10,840,460	69,187	4,491,623

8 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	4,767	310,698	4,767	309,459
Salary Advances	-	-	204	13,229
Prepaid expenses	96,301	6,276,925	110,143	7,150,473
Service Tax receivable	996,400	64,945,376	200,920	13,043,697
Total	1,097,469	71,532,999	316,033	20,516,858

9 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	1,197,348	78,043,127	1,197,348	77,731,817
Total	1,197,348	78,043,127	1,197,348	77,731,817

10 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	12,068,803	786,644,606	12,829,220	832,872,974
Profit / (loss) for the year	2,945,528	191,989,525	3,421,920	222,151,039
Closing balance	15,014,332	978,634,131	16,251,140	1,055,024,013
Foreign Exchange Translation Reserve				
Dividend	(7,420,262)	(483,652,690)	(4,182,337)	(271,517,296)
Total	7,594,069	494,981,442	12,068,803	783,506,717



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11 Non-current liabilities - provisions

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Asset retirement obligation and others	27,026	1,761,536	9,774	634,527
Total	27,026	1,761,536	9,774	634,527

12 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade Payables	1,321,276	86,120,737	2,241,612	145,525,482
Total	1,321,276	86,120,737	2,241,612	145,525,482

13 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Others	687	44,783	6,476	420,420
Total	687	44,783	6,476	420,420

14 Current liabilities - other current liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Deferred revenue and advance from customers	101,388	6,608,494	129,857	8,430,334
Accrued Payroll	87,495	5,702,919	84,330	5,474,731
Other Statutory dues	723,115	47,132,664	220,099	14,288,845
Others	10,445	680,833	20	1,297
Total	922,444	60,124,910	434,307	28,195,207

15 Current liabilities - provisions

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Leave entitlement	40,812	2,660,148	30,337	1,969,505
Provision for Gratuity Funded	-	-	43,104	2,798,335
Total	40,812	2,660,148	73,442	4,767,840



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

16 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	11,389,673	742,378,877	15,240,879	989,437,843
Total	11,389,673	742,378,877	15,240,879	989,437,843

17 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest income - others	323,421	21,080,557	368,946	23,951,944
Profit on sale of fixed assets	-	-	492	31,926
Provision for Doubtful Debts write back	122,247	7,968,042	40,614	2,636,645
Exchange (Gain)/Loss -Net	16,082	1,048,205	-	-
Miscellaneous income	105,214	6,857,846	125,918	8,174,591
Total	566,963	36,954,650	535,969	34,795,105

18 Network costs

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	6,304,676	410,938,760	9,607,791	623,737,765
Total	6,304,676	410,938,760	9,607,791	623,737,765

19 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	563,479	36,727,582	562,535	36,519,778
Contribution to provident and other funds	79,471	5,179,913	77,921	5,058,610
Staff welfare expenses	37,226	2,426,393	36,162	2,347,660
Total	680,176	44,333,888	676,618	43,926,048

20 Other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Advertising and publicity	30,779	2,006,193	4,511	292,829
Auditors remuneration	4,321	281,653	2,643	171,604
Bad debts Written off	93,263	6,078,854	10,049	652,380
Communication expenses	11,237	732,456	13,109	851,058
CSR expenses	168	10,965	-	-
Directors fees	2,296	149,634	1,980	128,548
Donations	-	-	909	59,021
Electricity	69,584	4,535,502	81,829	5,312,326
Entertainment expenses	858	55,918	749	48,606
Exchange (Gain)/Loss -Net	-	-	50,254	3,262,479
Insurance expenses	4,419	288,019	5,853	379,948
Legal and professional fees	9,801	638,816	11,172	725,276
Miscellaneous expenses	26,589	1,733,059	34,681	2,251,519
Printing and stationery	1,191	77,648	1,892	122,809
Rates and Taxes	794	51,771	5,309	344,669
Rent	98,739	6,435,798	93,832	6,091,562
Repairs and Maintenance - Plant & Machinery	1,075,293	70,087,570	1,079,966	70,111,425
Repairs and Maintenance -Building	976	63,624	736	47,801
Seminars, trainings and conferences	9,952	648,669	2,411	156,534
Services rendered by agencies	86,027	5,607,238	87,491	5,679,898
Travelling and conveyance expenses	59,926	3,905,951	38,276	2,484,858
Total	1,586,213	103,389,336	1,527,652	99,175,151



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Netherlands) BV** ("the subsidiary") registered in Netherlands as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vatman
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
		USD	INR*	USD	INR*
(A) ASSETS					
(1) Non-current assets					
Property, plant and equipment	1	2,934,637	191,279,641	3,465,795	224,999,412
Capital work-in-progress		107,976	7,037,876	336,874	21,869,860
Other intangible assets	2	3,440	224,219	48,222	3,130,572
Investments in subsidiaries & associates	3	283,345,099	18,468,433,553	286,538,652	18,602,089,288
Financial assets					
(i) Loans	4	743,091,166	48,434,682,200	763,697,454	49,579,238,714
(ii) Other financial assets	5	2,474,068	161,259,752	426,604	27,695,131
Deferred tax assets (Net)		39,452	2,571,481	52,934	3,436,475
Non current tax asset		3,970,181	258,776,398	2,111,248	137,062,220
Other non-current assets	6	3,425,117	223,249,126	5,371,513	348,718,624
		1,039,391,136	67,747,514,246	1,062,049,296	68,948,240,296
(2) Current assets					
Financial assets					
(i) Trade receivables	7	14,058,282	916,318,821	20,633,571	1,339,531,430
(ii) Cash and cash equivalent	8	2,648,913	172,656,149	23,489,196	1,524,918,604
(iii) Other financial assets	9	18,395,812	1,199,039,027	16,108,758	1,045,780,570
Other current assets	10	2,158,755	140,707,651	2,533,699	164,487,739
		37,261,762	2,428,721,648	62,765,224	4,074,718,343
TOTAL ASSETS		1,076,652,898	70,176,235,894	1,124,814,520	73,022,958,639
(B) EQUITY AND LIABILITIES					
(1) Equity					
Equity share capital	11	179,800,561	11,719,400,566	179,800,561	11,672,652,420
Other equity	12	(70,142,377)	(4,571,880,131)	(72,827,912)	(4,727,988,047)
Total Equity		109,658,184	7,147,520,435	106,972,649	6,944,664,373
(2) Non-current liabilities					
Financial liabilities					
(i) Borrowings	13	732,500,000	47,744,350,000	843,340,000	54,749,632,800
Other non current liabilities (Deferred revenue)		153,262	9,989,617	182,862	11,871,401
		732,653,262	47,754,339,617	843,522,862	54,761,504,201
(3) Current liabilities					
Financial liabilities					
(i) Borrowings	14	59,027,925	3,847,440,152	67,985,482	4,413,617,491
(ii) Trade payables	15	3,957,599	257,956,303	3,185,913	206,829,472
(iii) Other financial liabilities	16	170,934,320	11,141,498,977	103,005,446	6,687,113,555
Other current liabilities	17	385,774	25,144,750	101,425	6,584,511
Provisions	18	35,834	2,335,660	40,743	2,645,036
		234,341,452	15,274,375,842	174,319,009	11,316,790,065
TOTAL EQUITY AND LIABILITIES		1,076,652,898	70,176,235,894	1,124,814,520	73,022,958,639

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	19	204,814,943	13,349,837,985	265,171,762	17,214,950,789
ii	Other Income	20	37,849,641	2,467,039,600	42,042,840	2,729,421,173
iii	Total income (i + ii)		242,664,584	15,816,877,585	307,214,602	19,944,371,962
iv	Expenses:					
	Network and transmission expenses	21	191,659,049	12,492,336,814	244,315,772	15,860,979,918
	Employee benefits expenses	22	584,142	38,074,375	1,181,627	76,711,225
	Operating and other expenses	23	9,350,229	609,447,925	16,450,312	1,067,954,255
	Finance costs	24	35,579,766	2,319,089,148	40,014,441	2,597,737,510
	Depreciation and amortisation expenses		818,540	53,352,437	840,174	54,544,096
	Total expenses		237,991,726	15,512,300,699	302,802,326	19,657,927,004
v	Profit before exceptional items and taxes (iii - iv)		4,672,858	304,576,886	4,412,276	286,444,958
vi	Exceptional items:					
	Impairment of investment		(4,650,745)	(303,135,559)	-	-
vii	Profit before taxes (v + vi)		22,113	1,441,327	4,412,276	286,444,958
viii	Tax expenses					
	(i) Current tax expense/(benefit)		1,168,217	76,144,384	1,952,665	126,767,012
	(ii) Deferred tax expense/(benefit)		13,482	878,757	961,748	62,436,680
	Net tax expenses		1,181,699	77,023,141	2,914,413	189,203,692
ix	(Loss) / profit for the year (vii - viii)		(1,159,586)	(75,581,814)	1,497,863	97,241,266

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	21,973	1,432,200	21,973	1,426,487
Cables	3,293,202	214,650,906	3,293,202	213,794,674
Plant and machinery	8,405,327	547,859,214	8,161,830	529,866,004
Furniture and fixtures	7,154	466,298	7,154	464,438
Computers	382,975	24,962,311	382,975	24,862,737
Office equipment	67,655	4,409,753	67,655	4,392,163
(a)	12,178,286	793,780,682	11,934,789	774,806,503
Accumulated depreciation:				
Lease hold improvement	21,973	1,432,200	21,973	1,426,487
Cables	2,477,838	161,505,481	2,240,749	145,469,425
Plant and machinery	6,324,861	412,254,440	5,794,891	376,204,324
Furniture and fixtures	4,845	315,797	3,980	258,382
Computers	382,386	24,923,919	381,971	24,797,557
Office equipment	31,746	2,069,204	25,430	1,650,916
(b)	9,243,649	602,501,041	8,468,994	549,807,091
Net block (a) - (b)	2,934,637	191,279,641	3,465,795	224,999,412

2 Other intangible assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Computer software	130,850	8,528,803	133,537	8,669,222
(a)	130,850	8,528,803	133,537	8,669,222
Accumulated amortisation:				
Computer software	127,410	8,304,584	85,315	5,538,650
(b)	127,410	8,304,584	85,315	5,538,650
Net block (a) - (b)	3,440	224,219	48,222	3,130,572

3 Investments in subsidiaries & associates

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Investments in subsidiaries	274,641,094	17,901,106,507	273,183,902	17,735,098,918
Investments in associates	13,354,750	870,462,605	13,354,750	866,990,370
Impairment of investment in associates	(4,650,745)	(303,135,559)	-	-
Total	283,345,099	18,468,433,553	286,538,652	18,602,089,288



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4 Non-current assets - financial assets - loans

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans given	743,091,166	48,434,682,200	763,697,454	49,579,238,714
Total	743,091,166	48,434,682,200	763,697,454	49,579,238,714

5 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Vendor deposits	502	32,720	4,707	305,578
Others	2,473,566	161,227,032	421,897	27,389,553
Total	2,474,068	161,259,752	426,604	27,695,131

6 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	3,424,852	223,231,853	5,371,248	348,701,420
Others	265	17,273	265	17,204
Total	3,425,117	223,249,126	5,371,513	348,718,624

7 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	2,491,846	162,418,522	1,455,477	94,489,567
Intercompany receivables	12,017,925	783,328,352	19,314,914	1,253,924,217
Provision for doubtful debts	(451,489)	(29,428,053)	(136,820)	(8,882,354)
Total	14,058,282	916,318,821	20,633,571	1,339,531,430

8 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	2,648,913	172,656,149	23,489,196	1,524,918,604
Total	2,648,913	172,656,149	23,489,196	1,524,918,604



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

9 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Advances to employees	52,331	3,410,935	2,640	171,389
Interest Receivable	16,604,975	1,082,312,271	16,082,966	1,044,106,153
Others	1,738,506	113,315,821	23,152	1,503,028
Total	18,395,812	1,199,039,027	16,108,758	1,045,780,570

10 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	2,158,755	140,707,651	2,533,699	164,487,739
Total	2,158,755	140,707,651	2,533,699	164,487,739

11 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	179,800,561	11,719,400,566	179,800,561	11,672,652,420
Total	179,800,561	11,719,400,566	179,800,561	11,672,652,420

12 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(72,131,407)	(4,701,525,108)	(73,629,270)	(4,780,012,208)
Profit / (loss) for the year	(1,159,586)	(75,581,814)	1,497,863	97,241,266
Closing balance	(73,290,993)	(4,777,106,922)	(72,131,407)	(4,682,770,942)
OCI - Reserves derivatives	3,148,616	205,226,791	(696,505)	(45,217,105)
Total	(70,142,377)	(4,571,880,131)	(72,827,912)	(4,727,988,047)

13 Non-current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Loan from banks	732,500,000	47,744,350,000	843,340,000	54,749,632,800
Total	732,500,000	47,744,350,000	843,340,000	54,749,632,800



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

14 Current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Loan from bank	15,871,827	1,034,525,684	-	-
Unsecured borrowings - Inter company loans taken	43,156,098	2,812,914,468	67,985,482	4,413,617,491
Total	59,027,925	3,847,440,152	67,985,482	4,413,617,491

15 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	3,957,599	257,956,303	3,185,913	206,829,472
Total	3,957,599	257,956,303	3,185,913	206,829,472

16 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Current portion of long term loans	167,500,000	10,917,650,000	100,000,000	6,492,000,000
Deposit from customers and contractors	32,891	2,143,835	28,536	1,852,557
Interest accrued but not due	3,390,641	221,001,980	1,640,255	106,485,355
Derivative Liabilities	-	-	1,336,655	86,775,643
Others	10,788	703,162	-	-
Total	170,934,320	11,141,498,977	103,005,446	6,687,113,555

17 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Deferred revenue and advance from customers	40,089	2,613,001	48,434	3,144,335
Other Employee dues	46,681	3,042,668	46,617	3,026,376
Other Statutory dues	299,004	19,489,081	6,374	413,800
Total	385,774	25,144,750	101,425	6,584,511

18 Current liabilities - provisions

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Leave entitlement	35,834	2,335,660	40,743	2,645,036
Total	35,834	2,335,660	40,743	2,645,036



19 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	204,814,943	13,349,837,985	265,171,762	17,214,950,789
Total	204,814,943	13,349,837,985	265,171,762	17,214,950,789

20 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest on loan to subsidiaries	37,597,453	2,450,601,987	41,974,661	2,724,994,992
Exchange gain -Net	196,602	12,814,518	-	-
Miscellaneous income	55,586	3,623,095	68,179	4,426,181
Total	37,849,641	2,467,039,600	42,042,840	2,729,421,173

21 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	188,510,849	12,287,137,138	242,715,932	15,757,118,305
Rent of satellite channels	3,148,200	205,199,676	1,599,840	103,861,613
Total	191,659,049	12,492,336,814	244,315,772	15,860,979,918

22 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	575,835	37,532,925	1,173,074	76,155,964
Staff welfare expenses	8,307	541,450	8,553	555,261
Total	584,142	38,074,375	1,181,627	76,711,225



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

23 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Auditors remuneration	189,735	12,366,927	183,026	11,882,048
Communication expenses	131,279	8,556,765	47,716	3,097,723
Electricity	95,557	6,228,405	97,986	6,361,251
Entertainment expenses	-	-	4,171	270,781
Exchange loss -Net	-	-	7,139,470	463,494,392
Insurance expenses	5,081	331,180	5,130	333,040
IT consumables	233	15,187	561	36,420
Legal and professional fees	1,486,225	96,872,146	1,145,822	74,386,764
Loss on sale of fixed asset	-	-	68,823	4,467,989
Miscellaneous expenses	105,405	6,870,298	68,335	4,436,309
Printing and stationery	1,680	109,502	3,266	212,029
Provision for doubtful debts	314,669	20,510,125	28,184	1,829,705
Rates and Taxes	22,129	1,442,368	11,151	723,923
Recruitment expenses	-	-	27	1,753
Relocation Expense	-	-	17,233	1,118,766
Rent	163,050	10,627,599	388,410	25,215,577
Repairs and Maintenance	1,584,156	103,255,288	837,252	54,354,400
- Plant & Machinery				
Repairs and Maintenance -Building	2,584	168,425	268	17,399
Security charges	310	20,206	259	16,814
Seminars, trainings and conferences	36,000	2,346,480	3,888	252,409
Services rendered by agencies	5,171,411	337,072,569	6,328,134	410,822,459
Bad debts written off	3,768	245,598	-	-
Travelling and conveyance expenses	36,957	2,408,857	71,200	4,622,304
Total	9,350,229	609,447,925	16,450,312	1,067,954,255

24 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	35,271,727	2,299,011,166	40,014,231	2,597,723,877
Guarantee fees	308,039	20,077,982	210	13,633
Total	35,579,766	2,319,089,148	40,014,441	2,597,737,510



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ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (America) Inc.** ("the subsidiary") registered in Delaware, USA as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar Varma

(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
		USD	INR*	USD	INR*
(A) ASSETS					
(1) Non-current assets					
Property, plant and equipment	1	135,001,385	8,799,390,273	141,352,307	9,176,591,771
Capital work-in-progress		2,852,040	185,895,967	8,770,880	569,405,530
Other intangible assets	2	12,726,493	829,512,814	12,911,496	838,214,321
Intangible assets under development		4,167,530	271,639,605	3,742,032	242,932,717
Financial assets					
(i) Investments -others	3	20,110,603	1,310,809,104	15,478,602	1,004,870,842
(ii) Loans	4	96,929,886	6,317,889,969	93,786,437	6,088,615,490
(iii) Other financial assets	5	1,278,734	83,347,882	1,278,734	83,015,411
Non current tax asset		1,324,250	86,314,615	3,049,131	197,949,585
Other non-current assets	6	1,001,222	65,259,650	935,374	60,724,480
		275,392,143	17,950,059,879	281,304,993	18,262,320,147
(2) Current assets					
Financial assets					
(i) Trade receivables	7	39,710,310	2,588,318,006	44,400,671	2,882,491,562
(ii) Cash and cash equivalent	8	5,161	336,394	7,184	466,386
(iii) Other financial assets	9	2,582,039	168,297,302	2,096,654	136,114,778
Other current assets	10	4,543,351	296,135,618	5,104,332	331,373,233
		46,840,861	3,053,087,320	51,608,841	3,350,445,959
TOTAL ASSETS		322,233,004	21,003,147,199	332,913,834	21,612,766,106
(B) EQUITY AND LIABILITIES					
(1) Equity					
Equity share capital	11	226,603,995	14,770,048,394	226,603,995	14,711,131,355
Other equity	12	(113,263,125)	(7,382,490,490)	(120,393,583)	(7,815,951,406)
Total Equity		113,340,870	7,387,557,904	106,210,412	6,895,179,949
(2) Non-current liabilities					
Financial liabilities					
(i) Other financial liabilities	13	4,645,446	302,790,170	4,983,487	323,527,976
Provisions	14	5,657,355	368,746,399	1,784,078	115,822,344
Other non current liabilities (Deferred revenue)		65,019,823	4,237,992,063	79,972,467	5,191,812,558
		75,322,624	4,909,528,632	86,740,032	5,631,162,878
(3) Current liabilities					
Financial liabilities					
(i) Borrowings	15	15,690,299	1,022,693,689	15,374,061	998,084,040
(ii) Trade payables	16	71,433,302	4,656,022,624	82,302,133	5,343,054,475
(iii) Other financial liabilities	17	4,149,275	270,449,745	2,519,639	163,574,964
Other current liabilities	18	39,937,919	2,603,153,561	37,432,013	2,430,086,284
Provisions	19	2,358,715	153,741,044	2,335,544	151,623,516
		133,569,510	8,706,060,663	139,963,390	9,086,423,279
TOTAL EQUITY AND LIABILITIES		322,233,004	21,003,147,199	332,913,834	21,612,766,106

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	20	438,590,110	28,587,303,370	476,423,291	30,929,400,052
ii	Other Income	21	20,791,477	1,355,188,471	11,870,365	770,624,096
iii	Total income (i + ii)		459,381,587	29,942,491,841	488,293,656	31,700,024,148
iv	Expenses:					
	Network and transmission expenses	22	232,132,389	15,130,389,115	258,427,360	16,777,104,211
	Employee benefits expenses	23	96,126,548	6,265,528,399	94,394,680	6,128,102,626
	Operating and other expenses	24	75,458,546	4,918,388,031	81,175,298	5,269,900,344
	Finance costs	25	2,952,482	192,442,777	4,782,601	310,486,457
	Depreciation and amortisation expenses		36,745,497	2,395,071,494	36,824,776	2,390,664,458
	Total expenses		443,415,462	28,901,819,816	475,604,715	30,876,258,096
v	Profit before exceptional items and taxes (iii - iv)		15,966,125	1,040,672,025	12,688,941	823,766,052
vi	Exceptional items:					
	Staff cost optimisation		(7,013,231)	(457,122,397)	(1,331,007)	(86,408,974)
	Impairment loss on goodwill		-	-	(14,567,055)	(945,693,211)
vii	Profit before taxes (v + vi)		8,952,894	583,549,628	(3,209,121)	(208,336,133)
viii	Tax expenses					
	(i) Current tax expense/(benefit)		1,822,436	118,786,378	261,068	16,948,535
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		1,822,436	118,786,378	261,068	16,948,535
ix	Profit / (loss) for the year (vii - viii)		7,130,458	464,763,250	(3,470,189)	(225,284,668)

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Land	1,498,991	97,704,233	1,498,991	97,314,496
Leasehold land	33,027	2,152,700	33,027	2,144,113
Building	5,609,046	365,597,618	5,609,046	364,139,266
Lease hold improvement	9,376,167	611,138,565	5,218,555	338,788,591
Cables	130,362,502	8,497,027,880	127,054,826	8,248,399,304
Plant and machinery	328,045,639	21,382,014,750	315,194,070	20,462,399,024
Furniture and fixtures	1,662,466	108,359,534	1,110,186	72,073,275
Computers	21,656,023	1,411,539,579	21,170,089	1,374,362,178
Office equipment	1,298,572	84,640,923	1,209,068	78,492,695
Vehicles	28,208	1,838,597	28,208	1,831,263
(a)	499,570,641	32,562,014,379	478,126,066	31,039,944,205
Accumulated depreciation:				
Land	-	-	-	-
Leasehold land	6,533	425,821	4,355	282,727
Building	2,892,934	188,561,438	2,654,999	172,362,535
Lease hold improvement	4,631,995	301,913,434	4,480,871	290,898,145
Cables	87,741,531	5,718,992,991	80,848,674	5,248,695,916
Plant and machinery	246,823,041	16,087,925,812	227,215,508	14,750,830,779
Furniture and fixtures	978,092	63,752,037	836,391	54,298,504
Computers	20,609,673	1,343,338,486	19,922,114	1,293,343,641
Office equipment	857,249	55,875,490	782,639	50,808,924
Vehicles	28,208	1,838,597	28,208	1,831,263
(b)	364,569,256	23,762,624,106	336,773,759	21,863,352,434
Net block (a) - (b)	135,001,385	8,799,390,273	141,352,307	9,176,591,771

2 Other intangible assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Computer software	71,074,845	4,632,658,397	64,170,556	4,165,952,496
(a)	71,074,845	4,632,658,397	64,170,556	4,165,952,496
Accumulated amortisation:				
Computer software	58,348,352	3,803,145,583	51,259,060	3,327,738,175
(b)	58,348,352	3,803,145,583	51,259,060	3,327,738,175
Net block (a) - (b)	12,726,493	829,512,814	12,911,496	838,214,321



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3 Financial asset - Investment others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Investments - others	20,110,603	1,310,809,104	-	-
Total	20,110,603	1,310,809,104	-	-

4 Non-current assets - financial assets - loans

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans given	96,929,886	6,317,889,969	93,786,437	6,088,615,490
Total	96,929,886	6,317,889,969	93,786,437	6,088,615,490

5 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Vendor deposits	1,278,734	83,347,882	1,278,734	83,015,411
Total	1,278,734	83,347,882	1,278,734	83,015,411

6 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	1,001,222	65,259,650	935,374	60,724,480
Total	1,001,222	65,259,650	935,374	60,724,480

7 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	44,579,715	2,905,705,824	49,233,706	3,196,252,194
Provision for doubtful debts	(4,869,405)	(317,387,818)	(4,833,035)	(313,760,632)
Total	39,710,310	2,588,318,006	44,400,671	2,882,491,562



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

8 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Cash in hand	29	1,890	29	1,883
Balance with bank	5,132	334,504	7,155	464,503
Total	5,161	336,394	7,184	466,386

9 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Security Deposit	83,609	5,449,635	85,579	5,555,789
Advances to employees	387,685	25,269,308	199,861	12,974,976
Interest Receivable	1,241,983	80,952,452	1,194,622	77,554,860
Others	868,762	56,625,907	616,592	40,029,153
Total	2,582,039	168,297,302	2,096,654	136,114,778

10 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	24,177	1,575,857	392,098	25,455,002
Prepaid expenses	4,519,174	294,559,761	4,712,234	305,918,231
Total	4,543,351	296,135,618	5,104,332	331,373,233

11 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	226,603,995	14,770,048,394	226,603,995	14,711,131,355
Total	226,603,995	14,770,048,394	226,603,995	14,711,131,355

12 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(120,393,583)	(7,847,253,740)	(116,923,394)	(7,590,666,738)
Profit / (loss) for the year	7,130,458	464,763,250	(3,470,189)	(225,284,668)
Closing balance	(113,263,125)	(7,382,490,490)	(120,393,583)	(7,815,951,406)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

13 Non-current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Lease equalisation	4,645,446	302,790,170	4,983,487	323,527,976
Total	4,645,446	302,790,170	4,983,487	323,527,976

14 Non-current liabilities - provisions

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Asset retirement obligation and others	4,669,738	304,373,523	748,690	48,604,955
Retention liability	987,617	64,372,876	1,035,388	67,217,389
Total	5,657,355	368,746,399	1,784,078	115,822,344

15 Current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans taken	15,690,299	1,022,693,689	15,374,061	998,084,040
Total	15,690,299	1,022,693,689	15,374,061	998,084,040

16 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	69,570,169	4,534,583,615	71,049,578	4,612,538,604
Inter company - Payables	1,863,133	121,439,009	11,252,555	730,515,871
Total	71,433,302	4,656,022,624	82,302,133	5,343,054,475

17 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Deposit from customers and contractors	2,382,721	155,305,755	1,630,565	105,856,280
Interest accrued but not due	414,140	26,993,645	-	-
Others	1,352,414	88,150,345	889,074	57,718,684
Total	4,149,275	270,449,745	2,519,639	163,574,964



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

18 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Deferred revenue and advance from customers	19,298,942	1,257,905,040	21,771,655	1,413,415,843
Other Employee dues	19,716,861	1,285,145,000	14,703,597	954,557,517
Other Statutory dues	922,116	60,103,521	938,464	60,925,083
Others	-	-	18,297	1,187,841
Total	39,937,919	2,603,153,561	37,432,013	2,430,086,284

19 Current liabilities - provisions

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Leave entitlement	2,358,715	153,741,044	2,335,544	151,623,516
Total	2,358,715	153,741,044	2,335,544	151,623,516

20 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	438,590,110	28,587,303,370	476,423,291	30,929,400,052
Total	438,590,110	28,587,303,370	476,423,291	30,929,400,052

21 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest on loan to subsidiaries	6,210,320	404,788,658	7,747,340	502,957,313
Profit on sale of fixed assets	2,859	186,350	2	130
Exchange gain -Net	11,714,535	763,553,391	-	-
Miscellaneous income	2,863,763	186,660,072	4,123,023	267,666,653
Total	20,791,477	1,355,188,471	11,870,365	770,624,096

22 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	232,127,389	15,130,063,215	258,427,360	16,777,104,211
Rent of satellite channels	5,000	325,900	-	-
Total	232,132,389	15,130,389,115	258,427,360	16,777,104,211



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

23 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	95,619,961	6,232,509,058	94,000,588	6,102,518,173
Staff welfare expenses	506,587	33,019,341	394,092	25,584,453
Total	96,126,548	6,265,528,399	94,394,680	6,128,102,626

24 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Advertising and publicity	4,383,507	285,716,986	2,860,507	185,704,114
Auditors remuneration	31,630	2,061,643	25,457	1,652,668
Communication expenses	943,744	61,513,234	1,647,584	106,961,153
CSR expenses	15,305	997,580	15,072	978,474
Donations	1,019	66,418	-	-
Electricity	8,977,525	585,155,080	8,068,638	523,815,979
Entertainment expenses	151,456	9,871,902	162,249	10,533,205
Exchange loss -Net	-	-	3,323,294	215,748,246
Insurance expenses	475,425	30,988,202	760,389	49,364,454
IT consumables	101,816	6,636,367	107,030	6,948,388
Legal and professional fees	6,673,030	434,948,095	6,064,816	393,727,855
Loss on sale of fixed asset	28,887	1,882,855	152,862	9,923,801
Miscellaneous expenses	3,247,481	211,670,814	2,874,096	186,586,310
Printing and stationery	224,252	14,616,745	177,933	11,551,410
Provision for doubtful debts	36,370	2,370,597	372,306	24,170,106
Rates and Taxes	4,910,621	320,074,277	6,607,867	428,982,726
Recruitment expenses	579,126	37,747,433	685,769	44,520,123
Relocation Expense	564,907	36,820,638	511,793	33,225,602
Rent	11,304,195	736,807,430	12,144,724	788,435,482
Repairs and Maintenance	18,173,106	1,184,523,049	22,331,987	1,449,792,596
- Plant & Machinery				
Repairs and Maintenance -Building	308,201	20,088,541	81,889	5,316,234
Security charges	145,342	9,473,392	146,314	9,498,705
Seminars, trainings and conferences	2,618,271	170,658,904	1,156,031	75,049,533
Services rendered by agencies	5,754,240	375,061,363	6,425,090	417,116,843
Bad debts written off	1,970,097	128,410,922	-	-
Travelling and conveyance expenses	3,838,993	250,225,564	4,471,601	290,296,337
Total	75,458,546	4,918,388,031	81,175,298	5,269,900,344

25 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	2,952,482	192,442,777	4,782,601	310,486,457
Total	2,952,482	192,442,777	4,782,601	310,486,457



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ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Australia) Pty. Ltd.** ("the subsidiary") registered in Australia as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010


(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 May 2018

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
			USD	INR*	USD	INR*
(A)	ASSETS					
(1)	Non-current assets					
	Property, plant and equipment	1	2,290,299	149,281,688	1,569,728	101,906,742
	Capital work-in-progress		590,226	38,470,931	217,127	14,095,885
	Other intangible assets	2	149,699	9,757,381	-	-
	Financial assets					
	(i) Other financial assets	3	58,728	3,827,891	-	-
	Deferred tax assets (Net)		487,269	31,760,193	319,924	20,769,466
	Non current tax asset		-	-	212,233	13,778,166
	Other non-current assets	4	30,746	2,004,024	20,075	1,303,269
			3,606,967	235,102,108	2,339,087	151,853,528
(2)	Current assets					
	Financial assets					
	(i) Trade receivables	5	5,750,569	374,822,087	3,606,531	234,135,992
	(ii) Cash and cash equivalent	6	965,808	62,951,365	3,955,102	256,765,222
	(iii) Other financial assets	7	61,775	4,026,495	38,103	2,473,647
	Other current assets	8	68,001	4,432,305	33,632	2,183,389
			6,846,153	446,232,252	7,633,368	495,558,250
	TOTAL ASSETS		10,453,120	681,334,360	9,972,455	647,411,778
(B)	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity share capital	9	357,000	23,269,260	357,000	23,176,440
	Other equity	10	1,185,519	77,272,127	1,035,655	67,234,723
	Total Equity		1,542,519	100,541,387	1,392,655	90,411,163
(2)	Non-current liabilities					
	Financial liabilities					
	(i) Other financial liabilities	11	18,177	1,184,777	16,450	1,067,934
	Provisions	12	11,989	781,443	-	-
	Other non current liabilities (Deferred revenue)		1,569	102,267	-	-
			31,735	2,068,487	16,450	1,067,934
(3)	Current liabilities					
	Financial liabilities					
	(i) Borrowings	13	511,125	33,315,128	376,015	24,410,894
	(ii) Trade payables	14	6,943,177	452,556,277	7,534,195	489,119,939
	(iii) Other financial liabilities	15	48,762	3,178,307	37,759	2,451,314
	Other current liabilities	16	747,313	48,709,861	378,359	24,563,066
	Provisions	17	379,426	24,730,987	237,022	15,387,468
	Current tax liabilities (Net)		249,063	16,233,926	-	-
			8,878,866	578,724,486	8,563,350	555,932,681
	TOTAL EQUITY AND LIABILITIES		10,453,120	681,334,360	9,972,455	647,411,778

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	18	38,893,090	2,535,051,606	33,372,334	2,166,531,923
ii	Other Income	19	737,706	48,083,677	512,896	33,297,208
iii	Total income (i + ii)		39,630,796	2,583,135,283	33,885,230	2,199,829,131
iv	Expenses:					
	Network and transmission expenses	20	30,857,667	2,011,302,735	28,709,691	1,863,833,140
	Employee benefits expenses	21	5,272,320	343,649,817	2,229,302	144,726,286
	Operating and other expenses	22	2,330,115	151,876,897	2,178,309	141,415,819
	Finance costs	23	28,520	1,858,934	1,481	96,147
	Depreciation and amortisation expenses		573,862	37,404,325	401,146	26,042,398
	Total expenses		39,062,484	2,546,092,708	33,519,929	2,176,113,790
v	Profit before exceptional items and taxes (iii - iv)		568,312	37,042,575	365,301	23,715,341
vi	Exceptional items:					
	Staff cost optimisation		(128,606)	(8,382,539)	-	-
vii	Profit before taxes (v + vi)		439,706	28,660,036	365,301	23,715,341
viii	Tax expenses					
	(i) Current tax expense/(benefit)		457,187	29,799,449	669,127	43,439,725
	(ii) Deferred tax expense/(benefit)		(167,345)	(10,907,547)	(30,938)	(2,008,495)
	Net tax expenses		289,842	18,891,902	638,189	41,431,230
ix	Profit / (loss) for the year (vii - viii)		149,864	9,768,134	(272,888)	(17,715,889)

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Cables	380,458	24,798,252	365,273	23,713,523
Plant and machinery	6,799,937	443,219,894	6,194,251	402,130,775
Furniture and fixtures	19,941	1,299,754	19,941	1,294,570
Computers	257,758	16,800,666	36,237	2,352,506
Office equipment	2,185	142,418	647	42,003
(a)	7,460,279	486,260,984	6,616,349	429,533,377
Accumulated depreciation:				
Cables	361,013	23,530,827	360,150	23,380,938
Plant and machinery	4,689,373	305,653,332	4,635,745	300,952,565
Furniture and fixtures	15,871	1,034,472	15,163	984,382
Computers	101,538	6,618,247	34,916	2,266,747
Office equipment	2,185	142,418	647	42,003
(b)	5,169,980	336,979,296	5,046,621	327,626,635
Net block (a) - (b)	2,290,299	149,281,688	1,569,728	101,906,742

2 Other intangible assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Computer software	154,861	10,093,840	-	-
(a)	154,861	10,093,840	-	-
Accumulated amortisation:				
Computer software	5,162	336,459	-	-
(b)	5,162	336,459	-	-
Net block (a) - (b)	149,699	9,757,381	-	-

3 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Vendor deposits	58,728	3,827,891	-	-
Total	58,728	3,827,891	-	-

4 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	30,746	2,004,024	20,075	1,303,269
Total	30,746	2,004,024	20,075	1,303,269



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	5,764,374	375,721,897	3,686,386	239,320,179
Provision for doubtful debts	(13,805)	(899,810)	(79,855)	(5,184,187)
Total	5,750,569	374,822,087	3,606,531	234,135,992

6 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	965,808	62,951,365	3,955,102	256,765,222
Total	965,808	62,951,365	3,955,102	256,765,222

7 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Security Deposit	7,455	485,917	-	-
Advances to employees	50,259	3,275,882	6,288	408,217
Interest Receivable	-	-	28,184	1,829,705
Others	4,061	264,696	3,631	235,725
Total	61,775	4,026,495	38,103	2,473,647

8 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	68,001	4,432,305	33,632	2,183,389
Total	68,001	4,432,305	33,632	2,183,389

9 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	357,000	23,269,260	357,000	23,176,440
Total	357,000	23,269,260	357,000	23,176,440



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

10 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	1,035,655	67,503,993	1,308,543	84,950,612
Profit / (loss) for the year	149,864	9,768,134	(272,888)	(17,715,889)
Closing balance	1,185,519	77,272,127	1,035,655	67,234,723

11 Non-current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Lease equalisation	18,177	1,184,777	16,450	1,067,934
Total	18,177	1,184,777	16,450	1,067,934

12 Non-current liabilities - provisions

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Retention liability	11,989	781,443	-	-
Total	11,989	781,443	-	-

13 Current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans taken	511,125	33,315,128	376,015	24,410,894
Total	511,125	33,315,128	376,015	24,410,894

14 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	2,815,618	183,521,981	2,533,086	164,447,943
Inter Company - Payables	4,127,559	269,034,296	5,001,109	324,671,996
Total	6,943,177	452,556,277	7,534,195	489,119,939



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

15 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Deposit from customers and contractors	31,430	2,048,607	31,307	2,032,450
Interest accrued but not due	17,332	1,129,700	-	-
Others	-	-	6,452	418,864
Total	48,762	3,178,307	37,759	2,451,314

16 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Deferred revenue and advance from customers	6,985	455,282	-	-
Other Employee dues	529,789	34,531,647	189,597	12,308,637
Other Statutory dues	202,377	13,190,933	188,762	12,254,429
Others	8,162	531,999	-	-
Total	747,313	48,709,861	378,359	24,563,066

17 Current liabilities - provisions

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Leave entitlement	379,426	24,730,987	237,022	15,387,468
Total	379,426	24,730,987	237,022	15,387,468

18 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	38,893,090	2,535,051,606	33,372,334	2,166,531,923
Total	38,893,090	2,535,051,606	33,372,334	2,166,531,923

19 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest income - others	1,304	84,995	885	57,454
Interest on loan to subsidiaries	47,161	3,073,954	96,151	6,242,123
Profit on sale of fixed assets	1	65	-	-
Miscellaneous income	689,240	44,924,663	415,860	26,997,631
Total	737,706	48,083,677	512,896	33,297,208



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

20 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	30,857,667	2,011,302,735	28,709,691	1,863,833,140
Total	30,857,667	2,011,302,735	28,709,691	1,863,833,140

21 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	5,262,884	343,034,779	2,217,679	143,971,721
Staff welfare expenses	9,436	615,038	11,623	754,565
Total	5,272,320	343,649,817	2,229,302	144,726,286

22 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Advertising and publicity	33,426	2,178,707	34,488	2,238,961
Auditors remuneration	15,110	984,870	25,859	1,678,766
Communication expenses	46,520	3,032,174	37,268	2,419,439
Electricity	230,412	15,018,254	191,850	12,454,902
Entertainment expenses	23,302	1,518,824	22,228	1,443,042
Exchange loss -Net	173,777	11,326,785	37,031	2,404,053
Insurance expenses	29,123	1,898,237	29,533	1,917,282
IT consumables	2,920	190,326	612	39,731
Legal and professional fees	85,217	5,554,444	103,705	6,732,529
Loss on sale of fixed asset	105	6,844	-	-
Miscellaneous expenses	89,877	5,858,184	75,480	4,900,161
Printing and stationery	11,494	749,179	5,695	369,719
Provision for doubtful debts	(66,050)	(4,305,139)	69,770	4,529,468
Rates and Taxes	208,738	13,605,543	89,134	5,786,579
Recruitment expenses	76,833	5,007,975	41,175	2,673,081
Relocation Expense	77,247	5,034,959	20,746	1,346,830
Rent	360,601	23,503,973	225,422	14,634,396
Repairs and Maintenance	356,895	23,262,416	359,396	23,331,988
- Plant & Machinery	-	-	22	1,428
Repairs and Maintenance -Building	-	-	492	31,941
Seminars, trainings and conferences	27,462	1,789,973	492	31,941
Services rendered by agencies	292,778	19,083,270	684,716	44,451,763
Bad debts written off	9,681	631,008	-	-
Travelling and conveyance expenses	244,647	15,946,091	123,687	8,029,760
Total	2,330,115	151,876,897	2,178,309	141,415,819



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

23 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	28,520	1,858,934	1,481	96,147
Total	28,520	1,858,934	1,481	96,147



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the accounting records and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Beijing) Technology Limited**. ("the subsidiary") registered in Shanghai The Republic of China as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations, if any;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar V.
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
			USD	INR*	USD	INR*
(A)	ASSETS					
(1)	Current assets					
	Financial assets					
	(i) Trade receivables	1	53,240	3,470,183	43,576	2,828,954
	(ii) Cash and cash equivalent	2	178,992	11,666,699	144,385	9,373,474
	(iii) Other financial assets	3	7,315	476,792	6,675	433,341
	Other current assets	4	1,911	124,559	1,823	118,350
			241,458	15,738,233	196,459	12,754,119
	TOTAL ASSETS		241,458	15,738,233	196,459	12,754,119
(B)	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity share capital	5	163,081	10,629,620	163,081	10,587,219
	Other equity	6	(6,128)	(399,422)	(37,657)	(2,444,692)
	Total Equity		156,953	10,230,198	125,424	8,142,527
(2)	Current liabilities					
	Financial liabilities					
	(i) Trade payables	7	23,938	1,560,279	16,834	1,092,863
	Other current liabilities	8	44,792	2,919,542	43,239	2,807,076
	Provisions	9	13,718	894,139	10,962	711,653
	Current tax liabilities (Net)		2,057	134,075	-	-
			84,505	5,508,035	71,035	4,611,592
	TOTAL EQUITY AND LIABILITIES		241,458	15,738,233	196,459	12,754,119

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	10	529,692	34,525,325	505,617	32,824,656
ii	Other Income	11	15,391	1,003,185	328	21,294
iii	Total income (i + ii)		545,083	35,528,510	505,945	32,845,950
iv	Expenses:					
	Employee benefits expenses	12	386,718	25,206,279	366,703	23,806,359
	Operating and other expenses	13	120,292	7,840,632	134,164	8,709,926
	Total expenses		507,010	33,046,911	500,867	32,516,285
v	Profit before taxes (iii - iv)		38,073	2,481,599	5,078	329,665
vi	Tax expenses					
	(i) Current tax expense/(benefit)		6,544	426,538	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		6,544	426,538	-	-
vii	Profit / (loss) for the year (v - vi)		31,529	2,055,061	5,078	329,665

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Intercompany receivables	53,240	3,470,183	43,576	2,828,954
Total	53,240	3,470,183	43,576	2,828,954

2 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	178,992	11,666,699	144,385	9,373,474
Total	178,992	11,666,699	144,385	9,373,474

3 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Security Deposit	7,315	476,792	6,675	433,341
Total	7,315	476,792	6,675	433,341

4 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	1,911	124,559	1,806	117,246
Others	-	-	17	1,104
Total	1,911	124,559	1,823	118,350

5 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	163,081	10,629,620	163,081	10,587,219
Total	163,081	10,629,620	163,081	10,587,219



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

6 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(37,828)	(2,465,629)	(42,906)	(2,785,458)
Profit / (loss) for the year	31,529	2,055,061	5,078	329,665
Closing balance	(6,299)	(410,568)	(37,828)	(2,455,793)
Capital reserves	171	11,146	171	11,101
Total	(6,128)	(399,422)	(37,657)	(2,444,692)

7 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	23,938	1,560,279	16,834	1,092,863
Total	23,938	1,560,279	16,834	1,092,863

8 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Other Employee dues	44,751	2,916,870	43,239	2,807,076
Others	41	2,672	-	-
Total	44,792	2,919,542	43,239	2,807,076

9 Current liabilities - provisions

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Leave entitlement	13,718	894,139	10,962	711,653
Total	13,718	894,139	10,962	711,653

10 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Management consultancy Services	529,692	34,525,325	505,617	32,824,656
Total	529,692	34,525,325	505,617	32,824,656



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest income - others	307	20,010	328	21,294
Exchange gain -Net	14,011	913,237	-	-
Miscellaneous income	1,073	69,938	-	-
Total	15,391	1,003,185	328	21,294

12 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	380,582	24,806,335	366,667	23,804,022
Staff welfare expenses	6,136	399,944	36	2,337
Total	386,718	25,206,279	366,703	23,806,359

13 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Advertising and publicity	-	-	19,392	1,258,929
Auditors remuneration	3,866	251,986	1,910	123,997
Communication expenses	1,147	74,761	1,484	96,341
Entertainment expenses	-	-	53	3,441
Exchange loss -Net	-	-	9,594	622,842
Insurance expenses	7,364	479,986	9,308	604,275
IT consumables	-	-	753	48,885
Legal and professional fees	59,322	3,866,608	42,710	2,772,733
Miscellaneous expenses	243	15,838	171	11,101
Printing and stationery	-	-	9	584
Rates and Taxes	2,466	160,734	1,305	84,721
Recruitment expenses	-	-	426	27,656
Rent	41,524	2,706,534	40,709	2,642,828
Seminars, trainings and conferences	1,495	97,444	-	-
Travelling and conveyance expenses	2,865	186,741	6,340	411,593
Total	120,292	7,840,632	134,164	8,709,926



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ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Belgium) SPRL** ("the subsidiary") registered in Belgium as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar Varma

(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
			USD	INR*	USD	INR*
(A)	ASSETS					
(1)	Non-current assets					
	Property, plant and equipment	1	116,083	7,566,289	80,473	5,224,307
	Capital work-in-progress		4,412	287,574	-	-
	Financial assets					
	(i) Loans	2	1,068	69,612	96,267	6,249,654
	(ii) Other financial assets	3	21,287	1,387,487	18,468	1,198,943
	Non current tax asset		1,956	127,492	1,956	126,984
			144,806	9,438,454	197,164	12,799,888
(2)	Current assets					
	Financial assets					
	(i) Trade receivables	4	193,642	12,621,586	64,517	4,188,443
	(ii) Other financial assets	5	3,980	259,416	3,416	221,767
	Other current assets	6	26,441	1,723,425	5,052	327,976
			224,063	14,604,427	72,985	4,738,186
	TOTAL ASSETS		368,869	24,042,881	270,149	17,538,074
(B)	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity share capital	7	3,337,592	217,544,247	3,337,592	216,676,473
	Other equity	8	(3,229,910)	(210,525,535)	(3,237,903)	(210,204,662)
	Total Equity		107,682	7,018,712	99,689	6,471,811
(2)	Current liabilities					
	Financial liabilities					
	(i) Trade payables	9	255,403	16,647,168	170,271	11,053,993
	(ii) Other financial liabilities	10	5,784	377,001	188	12,205
			261,187	17,024,169	170,459	11,066,198
	TOTAL EQUITY AND LIABILITIES		368,869	24,042,881	270,148	17,538,009

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	11	609,694	39,739,855	614,694	39,905,934
ii	Other Income	12	10,905	710,788	6,675	433,341
iii	Total income (i + ii)		620,599	40,450,643	621,369	40,339,275
iv	Expenses:					
	Network and transmission expenses	13	395,800	25,798,244	400,712	26,014,223
	Operating and other expenses	14	175,754	11,455,647	163,051	10,585,270
	Finance costs	15	-	-	888	57,649
	Depreciation and amortisation expenses		41,053	2,675,835	44,588	2,894,653
	Total expenses		612,607	39,929,726	609,239	39,551,795
v	Profit before taxes (iii - iv)		7,992	520,917	12,130	787,480
vi	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	Profit / (loss) for the year (v - vi)		7,992	520,917	12,130	787,480

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	1,335,997	87,080,284	1,297,409	84,227,792
(a)	1,335,997	87,080,284	1,297,409	84,227,792
Accumulated depreciation:				
Plant and machinery	1,219,914	79,513,995	1,216,936	79,003,485
(b)	1,219,914	79,513,995	1,216,936	79,003,485
Net block (a) - (b)	116,083	7,566,289	80,473	5,224,307

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans given	1,068	69,612	96,267	6,249,654
Total	1,068	69,612	96,267	6,249,654

3 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Vendor deposits	21,287	1,387,487	18,468	1,198,943
Total	21,287	1,387,487	18,468	1,198,943

4 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	109,903	7,163,478	49,198	3,193,934
Intercompany receivables	89,946	5,862,680	16,174	1,050,016
Provision for doubtful debts	(6,207)	(404,572)	(855)	(55,507)
Total	193,642	12,621,586	64,517	4,188,443



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Security Deposit	3,217	209,684	3,217	208,848
Interest Receivable	763	49,732	-	-
Others	-	-	199	12,919
Total	3,980	259,416	3,416	221,767

6 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	6,564	427,842	684	44,405
Indirect tax receivable	19,877	1,295,583	4,368	283,571
Total	26,441	1,723,425	5,052	327,976

7 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	3,337,592	217,544,247	3,337,592	216,676,473
Total	3,337,592	217,544,247	3,337,592	216,676,473

8 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(3,237,902)	(211,046,452)	(3,250,033)	(210,992,142)
Profit / (loss) for the year	7,992	520,917	12,130	787,480
Closing balance	(3,229,910)	(210,525,535)	(3,237,903)	(210,204,662)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

9 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	255,403	16,647,168	170,271	11,053,993
Total	255,403	16,647,168	170,271	11,053,993

10 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Interest accrued but not due	-	-	188	12,205
Others	5,784	377,001	-	-
Total	5,784	377,001	188	12,205

11 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	609,694	39,739,855	614,694	39,905,934
Total	609,694	39,739,855	614,694	39,905,934

12 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest on loan to subsidiaries	3,700	241,166	791	51,352
Exchange gain -Net	7,205	469,622	-	-
Miscellaneous income	-	-	5,884	381,989
Total	10,905	710,788	6,675	433,341

13 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	395,800	25,798,244	400,712	26,014,223
Total	395,800	25,798,244	400,712	26,014,223



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

14 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Auditors remuneration	46,200	3,011,316	46,200	2,999,304
Electricity	12,070	786,723	8,249	535,525
Exchange loss -Net	-	-	486	31,551
Insurance expenses	2,035	132,641	2,575	167,169
Legal and professional fees	26,672	1,738,481	26,719	1,734,597
Miscellaneous expenses	2,084	135,837	2,852	185,151
Provision for doubtful debts	5,352	348,843	855	55,507
Rates and Taxes	1,163	75,804	1,676	108,806
Repairs and Maintenance	78,841	5,138,856	72,174	4,685,536
- Plant & Machinery				
Services rendered by agencies	1,312	85,516	1,265	82,124
Travelling and conveyance expenses	25	1,630	-	-
Total	175,754	11,455,647	163,051	10,585,270

15 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	-	-	871	56,545
Guarantee fees	-	-	17	1,104
Total	-	-	888	57,649



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Bermuda) Ltd.** ("the subsidiary") registered in Bermuda as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Varma V V

(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 May 2018

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
			USD	INR*	USD	INR*
(A)	ASSETS					
(1)	Non-current assets					
	Property, plant and equipment	1	538,380,528	35,091,642,816	560,599,638	36,394,128,499
	Capital work-in-progress		1,883,244	122,749,844	1,375,114	89,272,401
	Investments in subsidiaries & associates	2	22,772,245	1,484,294,929	20,452,924	1,327,803,826
	Other non-current assets	3	3,808,963	248,268,208	5,337,087	346,483,688
			566,844,980	36,946,955,797	587,764,763	38,157,688,414
(2)	Current assets					
	Financial assets					
	(i) Trade receivables	4	551,629	35,955,178	3,250,420	211,017,267
	(ii) Cash and cash equivalent	5	57,355	3,738,399	108,271	7,028,953
	(iii) Other financial assets	6	-	-	131,805	8,556,781
	Other current assets	7	1,903,696	124,082,905	1,940,447	125,973,819
			2,512,680	163,776,482	5,430,943	352,576,820
	TOTAL ASSETS		569,357,660	37,110,732,279	593,195,706	38,510,265,234
(B)	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity share capital	8	13,061	851,316	13,061	847,920
	Other equity	9	(396,956,051)	(25,873,595,403)	(374,895,744)	(24,338,231,699)
	Total Equity		(396,942,990)	(25,872,744,087)	(374,882,683)	(24,337,383,779)
(2)	Non-current liabilities					
	Financial liabilities					
	(i) Borrowings	10	27,238,259	1,775,389,722	48,297,905	3,135,499,993
	Provisions	11	686,123	44,721,497	629,733	40,882,266
	Other non current liabilities (Deferred revenue)		202,708,526	13,212,541,725	223,030,519	14,479,141,293
			230,632,908	15,032,652,944	271,958,157	17,655,523,552
(3)	Current liabilities					
	Financial liabilities					
	(i) Borrowings	12	665,948,930	43,406,551,257	628,484,920	40,801,241,006
	(ii) Trade payables	13	21,111,244	1,376,030,883	16,706,697	1,084,598,769
	(iii) Other financial liabilities	14	26,869,981	1,751,385,362	29,265,467	1,899,914,118
	Other current liabilities	15	21,737,587	1,416,855,920	21,663,148	1,406,371,568
			735,667,742	47,950,823,422	696,120,232	45,192,125,461
	TOTAL EQUITY AND LIABILITIES		569,357,660	37,110,732,279	593,195,706	38,510,265,234

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	16	56,931,246	3,710,778,614	56,932,297	3,696,044,721
ii	Other Income	17	26,361,565	1,718,246,807	42,543,527	2,761,925,773
iii	Total income (i + ii)		83,292,811	5,429,025,421	99,475,824	6,457,970,494
iv	Expenses:					
	Network and transmission expenses	18	12,386,445	807,348,485	2,554,360	165,829,051
	Employee benefits expenses	19	425,937	27,762,574	391,780	25,434,358
	Operating and other expenses	20	28,808,368	1,877,729,425	30,770,243	1,997,604,175
	Finance costs	21	34,540,581	2,251,355,069	31,206,250	2,025,909,750
	Depreciation and amortisation expenses		48,615,981	3,168,789,642	47,644,069	3,093,052,959
	Impairment loss on goodwill		-	-	71,967,632	4,672,138,669
	Total expenses		124,777,312	8,132,985,195	184,534,334	11,979,968,962
v	(Loss) / profit before exceptional items and taxes (iii - iv)		(41,484,501)	(2,703,959,774)	(85,058,510)	(5,521,998,468)
vi	Exceptional items:					
	Inter company loans written back		19,546,394	1,274,033,961	-	-
vii	(Loss) / profit before taxes (v + vi)		(21,938,107)	(1,429,925,813)	(85,058,510)	(5,521,998,468)
viii	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
ix	(Loss) / profit for the year (vii - viii)		(21,938,107)	(1,429,925,813)	(85,058,510)	(5,521,998,468)

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	9,323	607,673	9,323	605,249
Cables	889,724,745	57,992,258,879	862,468,803	55,991,474,691
Plant and machinery	47,903,696	3,122,362,905	48,762,769	3,165,678,963
Furniture and fixtures	2,000	130,360	2,000	129,840
Computers	2,431	158,453	2,430	157,756
(a)	937,642,195	61,115,518,270	911,245,325	59,158,046,499
Accumulated depreciation:				
Lease hold improvement	7,991	520,853	3,996	259,420
Cables	362,163,244	23,605,800,244	317,186,758	20,591,764,329
Plant and machinery	37,087,502	2,417,363,380	33,452,253	2,171,720,265
Furniture and fixtures	500	32,590	250	16,230
Computers	2,430	158,387	2,430	157,756
(b)	399,261,667	26,023,875,454	350,645,687	22,763,918,000
Net block (a) - (b)	538,380,528	35,091,642,816	560,599,638	36,394,128,499

2 Investments in subsidiaries & associates

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Investments in subsidiaries	22,772,245	1,484,294,929	20,452,924	1,327,803,826
Total	22,772,245	1,484,294,929	20,452,924	1,327,803,826

3 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	3,808,963	248,268,208	5,337,087	346,483,688
Total	3,808,963	248,268,208	5,337,087	346,483,688

4 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	551,830	35,968,279	411,053	26,685,561
Intercompany receivables	-	-	2,839,367	184,331,706
Provision for doubtful debts	(201)	(13,101)	-	-
Total	551,629	35,955,178	3,250,420	211,017,267



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	57,355	3,738,399	108,271	7,028,953
Total	57,355	3,738,399	108,271	7,028,953

6 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Others	-	-	131,805	8,556,781
Total	-	-	131,805	8,556,781

7 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	1,903,696	124,082,905	1,940,447	125,973,819
Total	1,903,696	124,082,905	1,940,447	125,973,819

8 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	13,061	851,316	13,061	847,920
Total	13,061	851,316	13,061	847,920

9 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(385,627,883)	(25,135,225,414)	(300,569,373)	(19,512,963,695)
Profit / (loss) for the year	(21,938,107)	(1,429,925,813)	(85,058,510)	(5,521,998,468)
Closing balance	(407,565,990)	(26,565,151,227)	(385,627,883)	(25,034,962,163)
Share premium	10,609,939	691,555,824	10,609,939	688,797,240
OCI - Reserves derivatives	-	-	122,200	7,933,224
Total	(396,956,051)	(25,873,595,403)	(374,895,744)	(24,338,231,699)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

10 Non-current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Loan from banks	27,238,259	1,775,389,722	48,297,905	3,135,499,993
Total	27,238,259	1,775,389,722	48,297,905	3,135,499,993

11 Non-current liabilities - provisions

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Asset retirement obligation and others	686,123	44,721,497	629,733	40,882,266
Total	686,123	44,721,497	629,733	40,882,266

12 Current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans taken	665,948,930	43,406,551,257	628,484,920	40,801,241,006
Total	665,948,930	43,406,551,257	628,484,920	40,801,241,006

13 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	12,751,897	831,168,646	16,706,697	1,084,598,769
Inter Company - Payables	8,359,347	544,862,237	-	-
Total	21,111,244	1,376,030,883	16,706,697	1,084,598,769

14 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Current portion of long term loans	10,895,304	710,155,915	15,977,475	1,037,257,677
Deposit from customers and contractors	-	-	1,006,650	65,351,718
Interest accrued but not due	15,969,263	1,040,876,562	12,281,342	797,304,723
Others	5,414	352,885	-	-
Total	26,869,981	1,751,385,362	29,265,467	1,899,914,118



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

15 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Deferred revenue and advance from customers	21,710,324	1,415,078,918	21,634,276	1,404,497,198
Other Employee dues	27,263	1,777,002	28,872	1,874,370
Total	21,737,587	1,416,855,920	21,663,148	1,406,371,568

16 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	56,931,246	3,710,778,614	56,932,297	3,696,044,721
Total	56,931,246	3,710,778,614	56,932,297	3,696,044,721

17 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Dividend income	26,360,000	1,718,144,800	42,300,000	2,746,116,000
Interest income - others	1,565	102,007	2,036	132,177
Profit on sale of fixed assets	-	-	239,701	15,561,389
Exchange gain -Net	-	-	1,790	116,207
Total	26,361,565	1,718,246,807	42,543,527	2,761,925,773

18 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	12,386,445	807,348,485	2,554,360	165,829,051
Total	12,386,445	807,348,485	2,554,360	165,829,051

19 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	425,154	27,711,538	391,780	25,434,358
Staff welfare expenses	783	51,036	-	-
Total	425,937	27,762,574	391,780	25,434,358



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

20 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Asset retirement expense	-	-	135,856	8,819,772
Auditors remuneration	9,034	588,836	8,837	573,698
Communication expenses	12,732	829,872	13,225	858,567
Entertainment expenses	430	28,027	496	32,200
Exchange loss -Net	123,125	8,025,288	-	-
Insurance expenses	18,344	1,195,662	19,286	1,252,047
IT consumables	705	45,952	191	12,400
Legal and professional fees	17,293	1,127,158	16,193	1,051,250
Miscellaneous expenses	1,758	114,583	1,978	128,411
Printing and stationery	2,013	131,207	2,479	160,937
Provision for doubtful debts	201	13,101	-	-
Rates and Taxes	-	-	3,058	198,525
Recruitment expenses	8,056	525,090	563	36,550
Relocation Expense	13,043	850,143	-	-
Rent	22,476	1,464,986	21,082	1,368,643
Repairs and Maintenance	28,403,798	1,851,359,554	30,416,005	1,974,607,045
- Plant & Machinery				
Repairs and Maintenance -Building	2,592	168,947	2,808	182,295
Services rendered by agencies	126,459	8,242,598	105,964	6,879,183
Travelling and conveyance expenses	46,309	3,018,421	22,222	1,442,652
Total	28,808,368	1,877,729,425	30,770,243	1,997,604,175

21 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	31,923,868	2,080,797,716	28,720,019	1,864,503,633
Guarantee fees	2,616,713	170,557,353	2,486,231	161,406,117
Total	34,540,581	2,251,355,069	31,206,250	2,025,909,750



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Canada) LTD.** ("the subsidiary") registered in Canada as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar Varma

(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
		USD	INR*	USD	INR*
(A) ASSETS					
(1) Non-current assets					
Property, plant and equipment	1	29,958,635	1,952,703,830	30,992,667	2,012,043,943
Capital work-in-progress		2,035,242	132,657,074	1,951,343	126,681,188
Other intangible assets	2	10,398,275	677,759,565	9,115,921	591,805,591
Intangible assets under development		1,140,493	74,337,334	2,551,757	165,660,064
Financial assets					
(i) Other financial assets	3	2,610	170,120	2,379	154,445
Non current tax asset		1,087,630	70,891,723	1,087,630	70,608,940
Other non-current assets	4	13,913,054	906,852,860	12,956,898	841,161,818
		58,535,939	3,815,372,506	58,658,595	3,808,115,989
(2) Current assets					
Financial assets					
(i) Trade receivables	5	50,632,220	3,300,208,100	61,050,766	3,963,415,729
(ii) Cash and cash equivalent	6	432,723	28,204,885	581,379	37,743,125
(iii) Other financial assets	7	3,783,569	246,613,028	3,146,410	204,264,937
Other current assets	8	1,931,265	125,879,852	3,171,251	205,877,616
		56,779,777	3,700,905,865	67,949,806	4,411,301,407
(3) Assets Classified as held for sale		571,293	37,236,878	-	-
TOTAL ASSETS		115,887,009	7,553,515,249	126,608,401	8,219,417,396
(B) EQUITY AND LIABILITIES					
(1) Equity					
Equity share capital	9	66,520,000	4,335,773,600	66,520,000	4,318,478,400
Other equity	10	(294,217,977)	(19,177,127,740)	(275,593,980)	(17,891,561,178)
Total Equity		(227,697,977)	(14,841,354,140)	(209,073,980)	(13,573,082,778)
(2) Non-current liabilities					
Financial liabilities					
(i) Borrowings	11	100,000,000	6,518,000,000	100,000,000	6,492,000,000
(ii) Other financial liabilities	12	643,467	41,941,179	618,376	40,144,970
Provisions	13	996,149	64,928,992	1,672,389	108,571,494
Other non current liabilities (Deferred revenue)		497,082	32,399,805	695,249	45,135,565
		102,136,698	6,657,269,976	102,986,014	6,685,852,029
(3) Current liabilities					
Financial liabilities					
(i) Borrowings	14	123,541,614	8,052,442,401	89,456,797	5,807,535,261
(ii) Trade payables	15	106,879,589	6,966,411,611	134,293,854	8,718,357,002
(iii) Other financial liabilities	16	3,613,506	235,528,322	2,364,950	153,532,553
Other current liabilities	17	6,497,093	423,480,522	5,644,350	366,431,202
Provisions	18	916,486	59,736,557	936,416	60,792,127
		241,448,288	15,737,599,413	232,696,367	15,106,648,145
TOTAL EQUITY AND LIABILITIES		115,887,009	7,553,515,249	126,608,401	8,219,417,396

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	19	379,221,921	24,717,684,811	473,221,749	30,721,555,945
ii	Other Income	20	3,689,776	240,499,600	16,342,888	1,060,980,290
iii	Total income (i + ii)		382,911,697	24,958,184,411	489,564,637	31,782,536,235
iv	Expenses:					
	Network and transmission expenses	21	322,348,514	21,010,676,143	437,904,154	28,428,737,677
	Employee benefits expenses	22	26,833,596	1,749,013,788	29,776,310	1,933,078,045
	Operating and other expenses	23	33,014,446	2,151,881,589	20,966,599	1,361,151,606
	Finance costs	24	10,019,286	653,057,062	8,478,146	550,401,238
	Depreciation and amortisation expenses		8,954,195	583,634,430	9,612,523	624,044,993
	Total expenses		401,170,037	26,148,263,012	506,737,732	32,897,413,559
v	(Loss) / profit before exceptional items and taxes (iii - iv)		(18,258,340)	(1,190,078,601)	(17,173,095)	(1,114,877,324)
vi	Exceptional items:					
	Staff cost optimisation		(2,826,071)	(184,203,308)	(461,994)	(29,992,650)
	Impairment loss on goodwill		-	-	(10,001,989)	(649,329,126)
vii	(Loss) / profit before taxes (v + vi)		(21,084,411)	(1,374,281,909)	(27,637,078)	(1,794,199,100)
viii	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
ix	(Loss) / profit for the year (vii - viii)		(21,084,411)	(1,374,281,909)	(27,637,078)	(1,794,199,100)

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Land	7,750,000	505,145,000	7,750,000	503,130,000
Building	6,925,865	451,427,881	6,925,865	449,627,156
Lease hold improvement	3,572,299	232,842,449	3,107,125	201,714,555
Cables	86,152	5,615,387	86,152	5,592,988
Plant and machinery	76,650,033	4,996,049,151	78,290,505	5,082,619,585
Furniture and fixtures	5,295,494	345,160,299	5,033,323	326,763,329
Computers	15,774,072	1,028,154,013	15,876,229	1,030,684,787
Office equipment	1,403,864	91,503,856	1,361,962	88,418,573
(a)	117,457,779	7,655,898,036	118,431,161	7,688,550,973
Accumulated depreciation:				
Land	-	-	-	-
Building	3,137,868	204,526,236	2,832,498	183,885,770
Lease hold improvement	2,454,346	159,974,272	2,196,779	142,614,893
Cables	60,153	3,920,773	56,440	3,664,085
Plant and machinery	61,909,318	4,035,249,347	62,722,044	4,071,915,096
Furniture and fixtures	3,697,495	241,002,724	3,414,389	221,662,134
Computers	15,435,966	1,006,116,264	15,528,147	1,008,087,303
Office equipment	803,998	52,404,590	688,197	44,677,749
(b)	87,499,144	5,703,194,206	87,438,494	5,676,507,030
Net block (a) - (b)	29,958,635	1,952,703,830	30,992,667	2,012,043,943

2 Other intangible assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Computer software	80,281,798	5,232,767,594	75,019,508	4,870,266,459
(a)	80,281,798	5,232,767,594	75,019,508	4,870,266,459
Accumulated amortisation:				
Computer software	69,883,523	4,555,008,029	65,903,587	4,278,460,868
(b)	69,883,523	4,555,008,029	65,903,587	4,278,460,868
Net block (a) - (b)	10,398,275	677,759,565	9,115,921	591,805,591

3 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Vendor deposits	2,610	170,120	2,379	154,445
Total	2,610	170,120	2,379	154,445



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	2,123,949	138,438,996	2,519,801	163,585,481
Prepaid pension asset	11,789,105	768,413,864	10,437,097	677,576,337
Total	13,913,054	906,852,860	12,956,898	841,161,818

5 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	48,127,660	3,136,960,879	48,783,277	3,167,010,343
Intercompany receivables	5,187,442	338,117,470	15,000,343	973,822,268
Provision for doubtful debts	(2,682,882)	(174,870,249)	(2,732,854)	(177,416,882)
Total	50,632,220	3,300,208,100	61,050,766	3,963,415,729

6 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	432,723	28,204,885	581,379	37,743,125
Total	432,723	28,204,885	581,379	37,743,125

7 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Security Deposit	9,179	598,287	-	-
Advances to employees	108,725	7,086,696	44,585	2,894,458
Interest Receivable	263,884	17,199,959	-	-
Others	3,401,781	221,728,086	3,101,825	201,370,479
Total	3,783,569	246,613,028	3,146,410	204,264,937

8 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	24,313	1,584,721	165,980	10,775,422
Other Advances	2	130	2	130
Prepaid expenses	1,578,265	102,871,313	2,128,856	138,205,332
Indirect tax receivable	328,685	21,423,688	876,413	56,896,732
Total	1,931,265	125,879,852	3,171,251	205,877,616



9 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	66,520,000	4,335,773,600	66,520,000	4,318,478,400
Total	66,520,000	4,335,773,600	66,520,000	4,318,478,400

10 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(243,475,919)	(15,869,760,400)	(215,838,841)	(14,012,257,558)
Profit / (loss) for the year	(21,084,411)	(1,374,281,909)	(27,637,078)	(1,794,199,100)
Closing balance	(264,560,330)	(17,244,042,309)	(243,475,919)	(15,806,456,658)
OCI Reserves Employee Benefit Plan	(29,657,647)	(1,933,085,431)	(32,118,061)	(2,085,104,520)
Total	(294,217,977)	(19,177,127,740)	(275,593,980)	(17,891,561,178)

11 Non-current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Loan from banks	100,000,000	6,518,000,000	100,000,000	6,492,000,000
Total	100,000,000	6,518,000,000	100,000,000	6,492,000,000

12 Non-current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Lease equalisation	643,467	41,941,179	618,376	40,144,970
Total	643,467	41,941,179	618,376	40,144,970

13 Non-current liabilities - provisions

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Asset retirement obligation and others	379,583	24,741,220	-	-
Pension liability	445,002	29,005,230	1,100,533	71,446,602
Retention liability	171,564	11,182,542	571,856	37,124,892
Total	996,149	64,928,992	1,672,389	108,571,494



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

14 Current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Loan from bank	50,000,000	3,259,000,000	25,000,000	1,623,000,000
Inter company loans taken	73,541,614	4,793,442,401	64,456,797	4,184,535,261
Total	123,541,614	8,052,442,401	89,456,797	5,807,535,261

15 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	106,879,589	6,966,411,611	134,293,854	8,718,357,002
Total	106,879,589	6,966,411,611	134,293,854	8,718,357,002

16 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Deposit from customers and contractors	1,261,399	82,217,987	1,171,696	76,066,504
Interest accrued but not due	1,636,753	106,683,561	1,100,857	71,467,636
Others	715,354	46,626,774	92,397	5,998,413
Total	3,613,506	235,528,322	2,364,950	153,532,553

17 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Deferred revenue and advance from customers	184,383	12,018,084	147,163	9,553,822
Other Employee dues	5,965,233	388,813,887	4,837,796	314,069,716
Other Statutory dues	338,546	22,066,428	656,316	42,608,035
Others	8,931	582,123	3,075	199,629
Total	6,497,093	423,480,522	5,644,350	366,431,202

18 Current liabilities - provisions

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Leave entitlement	916,486	59,736,557	936,416	60,792,127
Total	916,486	59,736,557	936,416	60,792,127



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

19 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	379,221,921	24,717,684,811	473,221,749	30,721,555,945
Total	379,221,921	24,717,684,811	473,221,749	30,721,555,945

20 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest income - others	2,694	175,595	2,380	154,510
Interest on loan to subsidiaries	811,337	52,882,946	438,005	28,435,285
Profit on sale of fixed assets	-	-	1,880,660	122,092,447
Exchange gain -Net	-	-	11,086,835	719,757,328
Miscellaneous income	2,875,745	187,441,059	2,935,008	190,540,720
Total	3,689,776	240,499,600	16,342,888	1,060,980,290

21 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	321,929,860	20,983,388,275	434,990,419	28,239,578,001
Rent of satellite channels	418,654	27,287,868	2,913,735	189,159,676
Total	322,348,514	21,010,676,143	437,904,154	28,428,737,677

22 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	23,409,120	1,525,806,442	26,316,321	1,708,455,559
Contribution to provident and other funds	3,154,525	205,611,940	3,235,624	210,056,710
Staff welfare expenses	269,951	17,595,406	224,365	14,565,776
Total	26,833,596	1,749,013,788	29,776,310	1,933,078,045



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

23 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Advertising and publicity	666,198	43,422,786	1,408,348	91,429,952
Auditors remuneration	21,726	1,416,101	21,034	1,365,527
Communication expenses	422,445	27,534,965	481,008	31,227,039
Donations	-	-	1,163	75,502
Electricity	1,315,723	85,758,825	1,397,166	90,704,017
Entertainment expenses	26,933	1,755,493	26,835	1,742,128
Exchange loss -Net	15,758,839	1,027,161,126	-	-
Insurance expenses	162,471	10,589,860	191,953	12,461,589
IT consumables	8,756	570,716	13,248	860,060
Legal and professional fees	2,688,958	175,266,282	2,165,350	140,574,522
Miscellaneous expenses	683,362	44,541,535	433,471	28,140,936
Printing and stationery	51,319	3,344,972	72,987	4,738,316
Provision for doubtful debts	(49,972)	(3,257,175)	845,087	54,863,048
Rates and Taxes	1,002,920	65,370,326	999,463	64,885,138
Recruitment expenses	310	20,206	32,309	2,097,500
Relocation Expense	230,435	15,019,753	95,726	6,214,532
Rent	1,341,207	87,419,872	1,339,302	86,947,486
Repairs and Maintenance	5,075,953	330,850,617	7,283,818	472,865,465
- Plant & Machinery				
Repairs and Maintenance -Building	501,629	32,696,178	224,288	14,560,777
Security charges	285,130	18,584,773	277,629	18,023,675
Seminars, trainings and conferences	78,558	5,120,410	166,997	10,841,445
Services rendered by agencies	1,369,579	89,269,159	2,203,028	143,020,578
Bad debts written off	525,045	34,222,433	-	-
Travelling and conveyance expenses	846,922	55,202,376	1,286,389	83,512,374
Total	33,014,446	2,151,881,589	20,966,599	1,361,151,606

24 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	9,502,404	619,366,693	7,966,064	517,156,875
Guarantee fees	516,882	33,690,369	512,082	33,244,363
Total	10,019,286	653,057,062	8,478,146	550,401,238



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ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (France) SAS** ("the subsidiary") registered in France as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar V

(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
			USD	INR*	USD	INR*
(A)	ASSETS					
(1)	Non-current assets					
	Property, plant and equipment	1	29,793,639	1,941,949,390	32,826,011	2,131,064,633
	Capital work-in-progress		83,138	5,418,935	1,183,787	76,851,452
	Other intangible assets	2	4,023	262,219	24,880	1,615,210
	Financial assets					
	(i) Loans	3	1,192,814	77,747,617	1,276,588	82,876,093
	(ii) Other financial assets	4	614,920	40,080,486	533,900	34,660,788
	Non current tax asset		73,936	4,819,148	73,936	4,799,925
	Other non-current assets	5	391,778	25,536,090	161,266	10,469,389
			32,154,248	2,095,813,885	36,080,368	2,342,337,490
(2)	Current assets					
	Financial assets					
	(i) Trade receivables	6	10,282,300	670,200,314	7,627,489	495,176,586
	(ii) Cash and cash equivalent	7	-	-	1,856	120,492
	(iii) Other financial assets	8	147,753	9,630,541	122,288	7,938,937
	Other current assets	9	1,063,619	69,326,686	707,501	45,930,965
			11,493,672	749,157,541	8,459,134	549,166,980
	TOTAL ASSETS		43,647,920	2,844,971,426	44,539,502	2,891,504,470
(B)	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity share capital	10	20,391,358	1,329,108,714	20,391,358	1,323,806,961
	Other equity	11	(18,677,656)	(1,217,409,618)	(18,134,422)	(1,177,286,674)
	Total Equity		1,713,702	111,699,096	2,256,936	146,520,287
(2)	Non-current liabilities					
	Financial liabilities					
	(i) Other financial liabilities	12	345,799	22,539,179	416,111	27,013,926
	Provisions	13	662,831	43,203,325	455,357	29,561,776
	Other non current liabilities (Deferred revenue)		25,621,166	1,669,987,600	27,218,676	1,767,036,446
			26,629,796	1,735,730,104	28,090,144	1,823,612,148
(3)	Current liabilities					
	Financial liabilities					
	(i) Trade payables	14	5,913,718	385,456,139	6,689,790	434,301,166
	(ii) Other financial liabilities	15	199,061	12,974,796	188,068	12,209,375
	Other current liabilities	16	8,669,950	565,107,341	5,961,979	387,051,676
	Provisions	17	521,693	34,003,950	1,352,585	87,809,818
			15,304,422	997,542,226	14,192,422	921,372,035
	TOTAL EQUITY AND LIABILITIES		43,647,920	2,844,971,426	44,539,502	2,891,504,470

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	18	39,365,191	2,565,823,149	40,641,723	2,638,460,657
ii	Other Income	19	554,033	36,111,873	1,052,334	68,317,523
iii	Total income (i + ii)		39,919,224	2,601,935,022	41,694,057	2,706,778,180
iv	Expenses:					
	Network and transmission expenses	20	16,671,499	1,086,648,305	20,822,926	1,351,824,356
	Employee benefits expenses	21	10,188,589	664,092,231	10,959,133	711,466,915
	Operating and other expenses	22	5,040,662	328,550,350	3,914,631	254,137,842
	Finance costs	23	101,059	6,587,026	163,492	10,613,900
	Depreciation and amortisation expenses		5,237,579	341,385,399	5,500,071	357,064,609
	Total expenses		37,239,388	2,427,263,311	41,360,253	2,685,107,622
v	Profit before exceptional items and taxes (iii - iv)		2,679,836	174,671,711	333,804	21,670,558
vi	Exceptional items:					
	Staff cost optimisation		(3,223,070)	(210,079,703)	(634,905)	(41,218,033)
vii	(Loss) / profit before taxes (v + vi)		(543,234)	(35,407,992)	(301,101)	(19,547,475)
viii	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
ix	(Loss) / profit for the year (vii - viii)		(543,234)	(35,407,992)	(301,101)	(19,547,475)

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	928,190	60,499,424	653,718	42,439,373
Cables	34,520,918	2,250,073,435	34,235,685	2,222,580,670
Plant and machinery	39,084,639	2,547,536,770	37,683,484	2,446,411,781
Furniture and fixtures	157,669	10,276,865	157,669	10,235,871
Computers	113,245	7,381,309	111,100	7,212,612
Office equipment	87,517	5,704,358	86,094	5,589,222
(a)	74,892,178	4,881,472,161	72,927,750	4,734,469,529
Accumulated depreciation:				
Lease hold improvement	221,462	14,434,893	137,932	8,954,545
Cables	15,966,544	1,040,699,338	13,624,091	884,475,988
Plant and machinery	28,608,819	1,864,722,822	26,059,904	1,691,808,968
Furniture and fixtures	135,079	8,804,449	131,158	8,514,777
Computers	106,566	6,945,972	93,915	6,096,962
Office equipment	60,069	3,915,297	54,739	3,553,656
(b)	45,098,539	2,939,522,771	40,101,739	2,603,404,896
Net block (a) - (b)	29,793,639	1,941,949,390	32,826,011	2,131,064,633

2 Other intangible assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Computer software	2,094,773	136,537,304	2,095,589	136,045,638
(a)	2,094,773	136,537,304	2,095,589	136,045,638
Accumulated amortisation:				
Computer software	2,090,750	136,275,085	2,070,709	134,430,428
(b)	2,090,750	136,275,085	2,070,709	134,430,428
Net block (a) - (b)	4,023	262,219	24,880	1,615,210

3 Non-current assets - financial assets - loans

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans given	1,192,814	77,747,617	1,276,588	82,876,093
Total	1,192,814	77,747,617	1,276,588	82,876,093



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Vendor deposits	614,920	40,080,486	533,900	34,660,788
Total	614,920	40,080,486	533,900	34,660,788

5 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	391,778	25,536,090	161,266	10,469,389
Total	391,778	25,536,090	161,266	10,469,389

6 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	7,360,683	479,769,318	8,081,524	524,652,538
Intercompany receivables	3,140,135	204,673,999	-	-
Provision for doubtful debts	(218,518)	(14,243,003)	(454,035)	(29,475,952)
Total	10,282,300	670,200,314	7,627,489	495,176,586

7 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	-	-	1,856	120,492
Total	-	-	1,856	120,492

8 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Security Deposit	306	19,945	306	19,866
Advances to employees	132,625	8,644,498	72,048	4,677,356
Interest Receivable	10,481	683,152	-	-
Others	4,341	282,946	49,934	3,241,715
Total	147,753	9,630,541	122,288	7,938,937



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

9 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	1,063,619	69,326,686	707,501	45,930,965
Total	1,063,619	69,326,686	707,501	45,930,965

10 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	20,391,358	1,329,108,714	20,391,358	1,323,806,961
Total	20,391,358	1,329,108,714	20,391,358	1,323,806,961

11 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(18,134,422)	(1,182,001,626)	(17,833,321)	(1,157,739,199)
Profit / (loss) for the year	(543,234)	(35,407,992)	(301,101)	(19,547,475)
Closing balance	(18,677,656)	(1,217,409,618)	(18,134,422)	(1,177,286,674)

12 Non-current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Lease equalisation	345,799	22,539,179	416,111	27,013,926
Total	345,799	22,539,179	416,111	27,013,926



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

13 Non-current liabilities - provisions

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Asset retirement obligation and others	662,831	43,203,325	343,761	22,316,964
Retention liability	-	-	111,596	7,244,812
Total	662,831	43,203,325	455,357	29,561,776

14 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	5,913,718	385,456,139	5,651,283	366,881,292
Inter Company - Payables	-	-	1,038,507	67,419,874
Total	5,913,718	385,456,139	6,689,790	434,301,166

15 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Deposit from customers and contractors	65,584	4,274,765	59,813	3,883,060
Interest accrued but not due	-	-	49,304	3,200,816
Others	133,477	8,700,031	78,951	5,125,499
Total	199,061	12,974,796	188,068	12,209,375

16 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Deferred revenue and advance from customers	3,419,879	222,907,713	3,278,423	212,835,221
Other Employee dues	5,080,900	331,173,062	2,583,724	167,735,362
Other Statutory dues	138,818	9,048,157	99,832	6,481,093
Others	30,353	1,978,409	-	-
Total	8,669,950	565,107,341	5,961,979	387,051,676



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

17 Current liabilities - provisions

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Leave entitlement	521,693	34,003,950	1,352,585	87,809,818
Total	521,693	34,003,950	1,352,585	87,809,818

18 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	39,365,191	2,565,823,149	40,641,723	2,638,460,657
Total	39,365,191	2,565,823,149	40,641,723	2,638,460,657

19 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest on loan to subsidiaries	116,298	7,580,304	19,044	1,236,336
Exchange gain -Net	-	-	243,757	15,824,704
Miscellaneous income	437,735	28,531,569	789,533	51,256,483
Total	554,033	36,111,873	1,052,334	68,317,523

20 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	16,366,939	1,066,797,084	20,822,926	1,351,824,356
Rent of satellite channels	304,560	19,851,221	-	-
Total	16,671,499	1,086,648,305	20,822,926	1,351,824,356



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

21 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	10,066,423	656,129,451	10,847,927	704,247,421
Staff welfare expenses	122,166	7,962,780	111,206	7,219,494
Total	10,188,589	664,092,231	10,959,133	711,466,915

22 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Advertising and publicity	50,957	3,321,377	134,418	8,726,417
Auditors remuneration	54,450	3,549,051	54,450	3,534,894
Communication expenses	69,279	4,515,605	76,870	4,990,400
Directors fees	12,449	811,426	-	-
Electricity	354,214	23,087,669	158,574	10,294,624
Entertainment expenses	21,344	1,391,202	23,235	1,508,416
Exchange loss -Net	48,732	3,176,352	-	-
Insurance expenses	23,996	1,564,059	23,574	1,530,424
IT consumables	3,451	224,936	9,569	621,219
Legal and professional fees	311,381	20,295,814	247,472	16,065,882
Miscellaneous expenses	495,523	32,298,189	65,361	4,243,235
Printing and stationery	18,279	1,191,425	25,493	1,655,006
Provision for doubtful debts	(235,517)	(15,350,998)	215,896	14,015,968
Rates and Taxes	338,091	22,036,771	272,736	17,706,021
Recruitment expenses	60,755	3,960,011	43,676	2,835,446
Relocation Expense	-	-	2,295	148,991
Rent	562,294	36,650,323	584,605	37,952,557
Repairs and Maintenance	2,268,443	147,857,115	1,295,719	84,118,077
- Plant & Machinery				
Repairs and Maintenance -Building	2,574	167,773	5,019	325,833
Security charges	1,975	128,731	604	39,212
Seminars, trainings and conferences	12,337	804,126	23,652	1,535,488
Services rendered by agencies	113,627	7,406,208	219,534	14,252,147
Bad debts written off	147,282	9,599,841	-	-
Travelling and conveyance expenses	304,746	19,863,344	431,879	28,037,585
Total	5,040,662	328,550,350	3,914,631	254,137,842

23 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	96,070	6,261,843	150,332	9,759,553
Guarantee fees	4,989	325,183	13,160	854,347
Total	101,059	6,587,026	163,492	10,613,900



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Guam) LLC** ("the subsidiary") registered in Guam as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Varma
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
			USD	INR*	USD	INR*
(A)	ASSETS					
(1)	Non-current assets					
	Property, plant and equipment	1	4,287,925	279,486,952	4,478,495	290,743,895
	Capital work-in-progress		41,254	2,688,936	-	-
	Financial assets					
	(i) Loans	2	15,690,299	1,022,693,689	15,374,061	998,084,040
	Deferred tax assets (Net)		3,101,455	202,152,837	6,702,520	435,127,598
	Non current tax asset		132,821	8,657,273	-	-
			23,253,754	1,515,679,687	26,555,076	1,723,955,533
(2)	Current assets					
	Financial assets					
	(i) Trade receivables	3	267,442	17,431,870	138,516	8,992,458
	(ii) Other financial assets	4	384,531	25,063,731	-	-
	Other current assets	5	560,419	36,528,110	555,301	36,050,141
			1,212,392	79,023,711	693,817	45,042,599
	TOTAL ASSETS		24,466,146	1,594,703,398	27,248,893	1,768,998,132
(B)	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity share capital	6	-	-	-	-
	Other equity	7	19,665,141	1,281,773,893	20,617,409	1,338,482,191
	Total Equity		19,665,141	1,281,773,893	20,617,409	1,338,482,191
(2)	Non-current liabilities					
	Other non current liabilities (Deferred revenue)		2,946,455	192,049,937	3,485,297	226,265,481
			2,946,455	192,049,937	3,485,297	226,265,481
(3)	Current liabilities					
	Financial liabilities					
	(i) Trade payables	8	544,759	35,507,391	436,128	28,313,429
	(ii) Other financial liabilities	9	13,500	879,930	31,419	2,039,722
	Other current liabilities	10	1,286,433	83,849,703	1,324,461	85,984,008
	Provisions	11	9,858	642,544	13,227	858,697
	Current tax liabilities (Net)		-	-	1,340,952	87,054,604
			1,854,550	120,879,568	3,146,187	204,250,460
	TOTAL EQUITY AND LIABILITIES		24,466,146	1,594,703,398	27,248,893	1,768,998,132

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	12	5,660,698	368,964,296	6,539,267	424,529,214
ii	Other Income	13	755,603	49,250,204	575,212	37,342,763
iii	Total income (i + ii)		6,416,301	418,214,500	7,114,479	461,871,977
iv	Expenses:					
	Network and transmission expenses	14	1,684,884	109,820,739	2,438,515	158,308,394
	Employee benefits expenses	15	662,975	43,212,711	444,910	28,883,557
	Operating and other expenses	16	1,843,802	120,179,012	1,677,128	108,879,152
	Depreciation and amortisation expenses		354,398	23,099,662	332,770	21,603,428
	Total expenses		4,546,059	296,312,124	4,893,323	317,674,531
v	Profit before taxes (iii - iv)		1,870,242	121,902,376	2,221,156	144,197,446
vi	Tax expenses					
	(i) Current tax expense/(benefit)		(778,556)	(50,746,280)	1,882,588	122,217,613
	(ii) Deferred tax expense/(benefit)		3,601,066	234,717,482	(1,733,299)	(112,525,771)
	Net tax expenses		2,822,510	183,971,202	149,289	9,691,842
vii	(Loss) / profit for the year (v - vi)		(952,268)	(62,068,826)	2,071,867	134,505,604

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Land	924,769	60,276,443	924,769	60,036,003
Building	4,858,882	316,701,929	4,858,882	315,438,619
Cables	261,966	17,074,944	138,888	9,016,609
Plant and machinery	2,618,503	170,674,026	2,284,178	148,288,836
Furniture and fixtures	14,007	912,976	14,007	909,334
Computers	63,105	4,113,184	63,105	4,096,777
Office equipment	220,490	14,371,538	220,490	14,314,211
(a)	8,961,722	584,125,040	8,504,319	552,100,389
Accumulated depreciation:				
Land	-	-	-	-
Building	2,454,935	160,012,663	2,260,580	146,756,854
Cables	49,934	3,254,698	27,707	1,798,738
Plant and machinery	1,991,898	129,831,912	1,578,992	102,508,161
Furniture and fixtures	14,007	912,976	14,007	909,334
Computers	63,105	4,113,184	63,105	4,096,777
Office equipment	99,918	6,512,655	81,433	5,286,630
(b)	4,673,797	304,638,088	4,025,824	261,356,494
Net block (a) - (b)	4,287,925	279,486,952	4,478,495	290,743,895

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans given	15,690,299	1,022,693,689	15,374,061	998,084,040
Total	15,690,299	1,022,693,689	15,374,061	998,084,040

3 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	268,583	17,506,240	139,657	9,066,532
Provision for doubtful debts	(1,141)	(74,370)	(1,141)	(74,074)
Total	267,442	17,431,870	138,516	8,992,458



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Interest Receivable	384,531	25,063,731	-	-
Total	384,531	25,063,731	-	-

5 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	560,419	36,528,110	555,301	36,050,141
Total	560,419	36,528,110	555,301	36,050,141

6 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	-	-	-	-
Total	-	-	-	-

7 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	20,617,409	1,343,842,719	18,545,542	1,203,976,587
Profit / (loss) for the year	(952,268)	(62,068,826)	2,071,867	134,505,604
Closing balance	19,665,141	1,281,773,893	20,617,409	1,338,482,191

8 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	133,608	8,708,569	113,144	7,345,308
Inter Company - Payables	411,151	26,798,822	322,984	20,968,121
Total	544,759	35,507,391	436,128	28,313,429



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

9 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Deposit from customers and contractors	13,000	847,340	13,000	843,960
Interest accrued but not due	-	-	15,840	1,028,333
Others	500	32,590	2,579	167,429
Total	13,500	879,930	31,419	2,039,722

10 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Deferred revenue and advance from customers	1,258,179	82,008,107	1,297,340	84,223,313
Other Employee dues	28,254	1,841,596	27,121	1,760,695
Total	1,286,433	83,849,703	1,324,461	85,984,008

11 Current liabilities - provisions

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Leave entitlement	9,858	642,544	13,227	858,697
Total	9,858	642,544	13,227	858,697

12 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	5,660,698	368,964,296	6,539,267	424,529,214
Total	5,660,698	368,964,296	6,539,267	424,529,214

13 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest on loan to subsidiaries	755,549	49,246,684	575,212	37,342,763
Miscellaneous income	54	3,520	-	-
Total	755,603	49,250,204	575,212	37,342,763



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

14 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	1,684,884	109,820,739	2,438,515	158,308,394
Total	1,684,884	109,820,739	2,438,515	158,308,394

15 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	662,975	43,212,711	444,877	28,881,415
Staff welfare expenses	-	-	33	2,142
Total	662,975	43,212,711	444,910	28,883,557

16 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Auditors remuneration	1,149	74,892	1,088	70,633
Communication expenses	9,612	626,510	7,362	477,941
Electricity	474,882	30,952,809	404,247	26,243,715
Exchange loss -Net	10	652	1	65
Insurance expenses	105,234	6,859,152	93,175	6,048,921
Legal and professional fees	8,785	572,606	6,414	416,397
Miscellaneous expenses	45,442	2,961,908	22,381	1,452,977
Printing and stationery	479	31,221	2,449	158,989
Rates and Taxes	21,729	1,416,296	11,159	724,442
Repairs and Maintenance	1,124,627	73,303,188	1,107,879	71,923,505
- Plant & Machinery				
Repairs and Maintenance -Building	33,365	2,174,731	4,300	279,156
Services rendered by agencies	17,480	1,139,346	16,673	1,082,411
Travelling and conveyance expenses	1,008	65,701	-	-
Total	1,843,802	120,179,012	1,677,128	108,879,152



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ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Hong Kong) Limited** ("the subsidiary") registered in Hong Kong as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vatma V.V.
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
		USD	INR*	USD	INR*
(A) ASSETS					
(1) Non-current assets					
Property, plant and equipment	1	19,517,690	1,272,163,033	19,934,066	1,294,119,565
Capital work-in-progress		377,146	24,582,376	1,496,426	97,147,976
Other intangible assets	2	74,207	4,836,812	99,287	6,445,712
Investments in subsidiaries & associates	3	3	196	3	195
Financial assets					
(i) Investments - others	4	4,521,914	294,738,354	20,000,000	1,298,400,000
(ii) Loans	5	846,456	55,172,002	1,970,843	127,947,128
(iii) Other financial assets	6	887,641	57,856,440	729,451	47,355,959
Non current tax asset		-	-	72,384	4,699,169
Other non-current assets	7	42,058	2,741,340	95,222	6,181,812
		26,267,115	1,712,090,553	44,397,682	2,882,297,516
(2) Current assets					
Financial assets					
(i) Trade receivables	8	8,599,787	560,534,117	6,978,723	453,058,697
(ii) Cash and cash equivalent	9	41,635	2,713,769	142,164	9,229,287
(iii) Other financial assets	10	248,361	16,188,170	202,739	13,161,815
Other current assets	11	594,482	38,748,337	574,801	37,316,081
		9,484,265	618,184,393	7,898,427	512,765,880
TOTAL ASSETS		35,751,380	2,330,274,946	52,296,109	3,395,063,396
(B) EQUITY AND LIABILITIES					
(1) Equity					
Equity share capital	12	8,022,064	522,878,132	8,022,064	520,792,395
Other equity	13	(35,965,467)	(2,344,229,142)	(13,075,411)	(848,855,681)
Total Equity		(27,943,403)	(1,821,351,010)	(5,053,347)	(328,063,286)
(2) Non-current liabilities					
Financial liabilities					
(i) Other financial liabilities	14	149,834	9,766,180	181,987	11,814,596
Provisions	15	3,944,410	257,096,644	3,826,335	248,405,668
Other non current liabilities (Deferred revenue)		6,571,935	428,358,723	7,373,472	478,685,802
		10,666,179	695,221,547	11,381,794	738,906,066
(3) Current liabilities					
Financial liabilities					
(i) Borrowings	16	37,000,000	2,411,660,000	32,000,000	2,077,440,000
(ii) Trade payables	17	10,672,221	695,615,365	10,090,996	655,107,460
(iii) Other financial liabilities	18	529,382	34,505,119	274,180	17,799,765
Other current liabilities	19	4,464,633	291,004,779	3,276,306	212,697,785
Provisions	20	362,368	23,619,146	326,180	21,175,606
		53,028,604	3,456,404,409	45,967,662	2,984,220,616
TOTAL EQUITY AND LIABILITIES		35,751,380	2,330,274,946	52,296,109	3,395,063,396

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	21	72,233,374	4,708,171,317	66,174,246	4,296,032,050
ii	Other Income	22	209,523	13,656,709	397,468	25,803,622
iii	Total income (i + ii)		72,442,897	4,721,828,026	66,571,714	4,321,835,672
iv	Expenses:					
	Network and transmission expenses	23	44,693,729	2,913,137,256	39,648,123	2,573,956,145
	Employee benefits expenses	24	12,368,443	806,175,114	11,606,121	753,469,375
	Operating and other expenses	25	14,389,445	937,904,029	12,914,131	838,385,384
	Finance costs	26	1,118,942	72,932,639	1,036,928	67,317,365
	Depreciation and amortisation expenses		3,163,220	206,178,680	3,104,229	201,526,547
	Total expenses		75,733,779	4,936,327,718	68,309,532	4,434,654,816
v	(Loss) / profit before exceptional items and taxes (iii - iv)		(3,290,882)	(214,499,692)	(1,737,818)	(112,819,144)
vi	Exceptional items:					
	Staff cost optimisation		(257,119)	(16,759,016)	(82,308)	(5,343,435)
	Impairment of investment		(19,245,776)	(1,254,439,680)	-	-
vii	(Loss) / profit before taxes (v + vi)		(22,793,777)	(1,485,698,388)	(1,820,126)	(118,162,579)
viii	Tax expenses					
	(i) Current tax expense/(benefit)		96,279	6,275,465	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		96,279	6,275,465	-	-
ix	(Loss) / profit for the year (vii - viii)		(22,890,056)	(1,491,973,853)	(1,820,126)	(118,162,579)

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Building	241,622	15,748,922	241,622	15,686,100
Lease hold improvement	722,363	47,083,620	722,363	46,895,806
Cables	21,709,485	1,415,024,232	20,028,476	1,300,248,662
Plant and machinery	20,369,219	1,327,665,694	19,326,753	1,254,692,805
Furniture and fixtures	49,636	3,235,274	49,636	3,222,369
Computers	478,889	31,213,985	476,745	30,950,285
Office equipment	63,817	4,159,592	63,817	4,143,000
(a)	43,635,031	2,844,131,319	40,909,412	2,655,839,027
Accumulated depreciation:				
Building	241,622	15,748,922	241,622	15,686,100
Lease hold improvement	691,774	45,089,829	579,541	37,623,802
Cables	9,490,157	618,568,433	8,081,014	524,619,429
Plant and machinery	13,193,518	859,953,503	11,617,505	754,208,425
Furniture and fixtures	42,276	2,755,550	38,957	2,529,088
Computers	429,235	27,977,537	392,084	25,454,093
Office equipment	28,759	1,874,512	24,623	1,598,525
(b)	24,117,341	1,571,968,286	20,975,346	1,361,719,462
Net block (a) - (b)	19,517,690	1,272,163,033	19,934,066	1,294,119,565

2 Other intangible assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Computer software	219,168	14,285,370	204,199	13,256,599
(a)	219,168	14,285,370	204,199	13,256,599
Accumulated amortisation:				
Computer software	144,961	9,448,558	104,912	6,810,887
(b)	144,961	9,448,558	104,912	6,810,887
Net block (a) - (b)	74,207	4,836,812	99,287	6,445,712

3 Investments in subsidiaries & associates

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Investments in subsidiaries	3	196	3	195
Total	3	196	3	195



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4 Financial asset - Investment others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Investments - others	23,767,690	1,549,178,034	20,000,000	1,298,400,000
Impairment of investment - others	(19,245,776)	(1,254,439,680)	-	-
Total	4,521,914	294,738,354	20,000,000	1,298,400,000

5 Non-current assets - financial assets - loans

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans given	846,456	55,172,002	1,970,843	127,947,128
Total	846,456	55,172,002	1,970,843	127,947,128

6 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Vendor deposits	887,641	57,856,440	729,451	47,355,959
Total	887,641	57,856,440	729,451	47,355,959

7 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	42,058	2,741,340	95,222	6,181,812
Total	42,058	2,741,340	95,222	6,181,812

8 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	7,028,054	458,088,560	5,340,041	346,675,462
Intercompany receivables	1,826,001	119,018,745	1,958,847	127,168,347
Provision for doubtful debts	(254,268)	(16,573,188)	(320,165)	(20,785,112)
Total	8,599,787	560,534,117	6,978,723	453,058,697



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

9 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	41,635	2,713,769	142,164	9,229,287
Total	41,635	2,713,769	142,164	9,229,287

10 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Security Deposit	21,470	1,399,415	15,037	976,202
Advances to employees	202,069	13,170,857	21,211	1,377,018
Interest Receivable	24,822	1,617,898	166,157	10,786,912
Others	-	-	334	21,683
Total	248,361	16,188,170	202,739	13,161,815

11 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Other Advances	531	34,611	-	-
Prepaid expenses	593,854	38,707,404	574,781	37,314,783
Others	97	6,322	20	1,298
Total	594,482	38,748,337	574,801	37,316,081

12 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	8,022,064	522,878,132	8,022,064	520,792,395
Total	8,022,064	522,878,132	8,022,064	520,792,395

13 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(13,075,411)	(852,255,289)	(11,255,285)	(730,693,102)
Profit / (loss) for the year	(22,890,056)	(1,491,973,853)	(1,820,126)	(118,162,579)
Closing balance	(35,965,467)	(2,344,229,142)	(13,075,411)	(848,855,681)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

14 Non-current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Lease equalisation	149,834	9,766,180	181,987	11,814,596
Total	149,834	9,766,180	181,987	11,814,596

15 Non-current liabilities - provisions

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Asset retirement obligation and others	3,103,707	202,299,622	2,978,536	193,366,557
Provision for gratuity	448,781	29,251,546	369,852	24,010,792
Retention liability	391,922	25,545,476	477,947	31,028,319
Total	3,944,410	257,096,644	3,826,335	248,405,668

16 Current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Loan from bank	37,000,000	2,411,660,000	32,000,000	2,077,440,000
Total	37,000,000	2,411,660,000	32,000,000	2,077,440,000

17 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	10,672,221	695,615,365	10,090,996	655,107,460
Total	10,672,221	695,615,365	10,090,996	655,107,460

18 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Deposit from customers and contractors	255,144	16,630,286	246,761	16,019,724
Interest accrued but not due	30,161	1,965,894	27,419	1,780,041
Others	244,077	15,908,939	-	-
Total	529,382	34,505,119	274,180	17,799,765



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

19 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Deferred revenue and advance from customers	1,864,523	121,529,609	1,641,746	106,582,150
Other Employee dues	2,600,110	169,475,170	1,634,560	106,115,635
Total	4,464,633	291,004,779	3,276,306	212,697,785

20 Current liabilities - provisions

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Leave entitlement	362,368	23,619,146	326,180	21,175,606
Total	362,368	23,619,146	326,180	21,175,606

21 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	72,233,374	4,708,171,317	66,174,246	4,296,032,050
Total	72,233,374	4,708,171,317	66,174,246	4,296,032,050

22 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest on loan to subsidiaries	64,788	4,222,882	338,573	21,980,159
Profit on sale of fixed assets	-	-	1	65
Miscellaneous income	144,735	9,433,827	58,894	3,823,398
Total	209,523	13,656,709	397,468	25,803,622

23 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	44,693,729	2,913,137,256	39,648,123	2,573,956,145
Total	44,693,729	2,913,137,256	39,648,123	2,573,956,145



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

24 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	12,208,706	795,763,457	11,402,038	740,220,307
Contribution to provident and other funds	78,929	5,144,592	60,124	3,903,250
Staff welfare expenses	80,808	5,267,065	143,959	9,345,818
Total	12,368,443	806,175,114	11,606,121	753,469,375

25 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Advertising and publicity	(1,739)	(113,348)	100,681	6,536,211
Auditors remuneration	21,850	1,424,183	22,950	1,489,914
Communication expenses	255,473	16,651,730	303,569	19,707,699
CSR expenses	610	39,760	-	-
Electricity	995,793	64,905,788	945,977	61,412,827
Entertainment expenses	76,856	5,009,474	79,950	5,190,354
Exchange loss -Net	45,967	2,996,129	94,695	6,147,599
Insurance expenses	24,921	1,624,351	28,315	1,838,210
IT consumables	10,815	704,922	6,683	433,860
Legal and professional fees	9,054,056	590,143,370	7,944,799	515,776,351
Loss on sale of fixed asset	-	-	244	15,840
Miscellaneous expenses	48,671	3,172,380	88,792	5,764,376
Printing and stationery	76,037	4,956,092	56,138	3,644,479
Provision for doubtful debts	(65,897)	(4,295,166)	(34,619)	(2,247,465)
Rates and Taxes	42,416	2,764,675	42,062	2,730,665
Recruitment expenses	105,980	6,907,776	77,055	5,002,411
Relocation Expense	21,369	1,392,831	-	-
Rent	1,475,901	96,199,227	1,255,192	81,487,065
Repairs and Maintenance	786,279	51,249,665	658,065	42,721,580
- Plant & Machinery	769	50,123	-	-
Security charges	22,921	1,493,991	46,051	2,989,631
Seminars, trainings and conferences	506,386	33,006,239	506,862	32,905,481
Services rendered by agencies	136,022	8,865,914	-	-
Bad debts written off	747,989	48,753,923	690,670	44,838,296
Travelling and conveyance expenses				
Total	14,389,445	937,904,029	12,914,131	838,385,384

26 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	1,011,546	65,932,568	907,420	58,909,706
Guarantee fees	107,396	7,000,071	129,508	8,407,659
Total	1,118,942	72,932,639	1,036,928	67,317,365



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ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Hungary) LLC** ("the subsidiary") registered in Hungary as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

V. Varma
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
			USD	INR*	USD	INR*
(A)	ASSETS					
(1)	Non-current assets					
	Property, plant and equipment	1	117,700	7,671,686	19,767	1,283,274
	Capital work-in-progress		11,970	780,205	91,446	5,936,674
	Other non-current assets	2	1,656	107,938	-	-
			131,326	8,559,829	111,213	7,219,948
(2)	Current assets					
	Financial assets					
	(i) Trade receivables	3	287,426	18,734,427	190,392	12,360,248
	(ii) Cash and cash equivalent	4	825,946	53,835,160	392,879	25,505,705
	(iii) Other financial assets	5	1,786	116,411	-	-
	Other current assets	6	43,446	2,831,810	54,054	3,509,186
			1,158,604	75,517,808	637,325	41,375,139
	TOTAL ASSETS		1,289,930	84,077,637	748,538	48,595,087
(B)	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity share capital	7	870,623	56,747,207	217,669	14,131,071
	Other equity	8	(148,842)	(9,701,522)	(107,679)	(6,990,520)
	Total Equity		721,781	47,045,685	109,990	7,140,551
(2)	Current liabilities					
	Financial liabilities					
	(i) Borrowings	9	363,117	23,667,966	472,217	30,656,328
	(ii) Trade payables	10	172,222	11,225,430	150,113	9,745,336
	(iii) Other financial liabilities	11	25,723	1,676,625	9,220	598,562
	Current tax liabilities (Net)		7,087	461,931	6,998	454,310
			568,149	37,031,952	638,548	41,454,536
	TOTAL EQUITY AND LIABILITIES		1,289,930	84,077,637	748,538	48,595,087

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	12	1,738,711	113,329,183	1,136,032	73,751,197
ii	Other Income	13	-	-	10,940	710,225
iii	Total income (i + ii)		1,738,711	113,329,183	1,146,972	74,461,422
iv	Expenses:					
	Network and transmission expenses	14	1,509,279	98,374,805	1,035,955	67,254,199
	Operating and other expenses	15	199,013	12,971,669	101,144	6,566,267
	Finance costs	16	42,836	2,792,050	14,888	966,529
	Depreciation and amortisation expenses		26,066	1,698,982	9,004	584,540
	Total expenses		1,777,194	115,837,506	1,160,991	75,371,535
vii	(Loss) / profit before taxes (v - vi)		(38,483)	(2,508,323)	(14,019)	(910,113)
viii	Tax expenses					
	(i) Current tax expense/(benefit)		2,680	174,682	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		2,680	174,682	-	-
ix	(Loss) / profit for the year (vii-viii)		(41,163)	(2,683,005)	(14,019)	(910,113)

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	395,791	25,797,657	271,626	17,633,960
(a)	395,791	25,797,657	271,626	17,633,960
Accumulated depreciation:				
Plant and machinery	278,091	18,125,971	251,859	16,350,686
(b)	278,091	18,125,971	251,859	16,350,686
Net block (a) - (b)	117,700	7,671,686	19,767	1,283,274

2 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	1,656	107,938	-	-
Total	1,656	107,938	-	-

3 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	83,317	5,430,602	44,982	2,920,231
Intercompany receivables	204,109	13,303,825	145,410	9,440,017
Total	287,426	18,734,427	190,392	12,360,248

4 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	825,946	53,835,160	392,879	25,505,705
Total	825,946	53,835,160	392,879	25,505,705

5 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Others	1,786	116,411	-	-
Total	1,786	116,411	-	-



6 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	17,438	1,136,609	17,438	1,132,075
Prepaid expenses	5,730	373,481	11,026	715,808
Indirect tax receivable	20,278	1,321,720	25,590	1,661,303
Total	43,446	2,831,810	54,054	3,509,186

7 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	870,623	56,747,207	217,669	14,131,071
Total	870,623	56,747,207	217,669	14,131,071

8 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(107,679)	(7,018,517)	(93,660)	(6,080,407)
Profit / (loss) for the year	(41,163)	(2,683,005)	(14,019)	(910,113)
Closing balance	(148,842)	(9,701,522)	(107,679)	(6,990,520)

9 Current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans taken	363,117	23,667,966	472,217	30,656,328
Total	363,117	23,667,966	472,217	30,656,328

10 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	172,222	11,225,430	150,113	9,745,336
Total	172,222	11,225,430	150,113	9,745,336



11 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Interest accrued but not due	22,632	1,475,154	8,570	556,364
Others	3,091	201,471	650	42,198
Total	25,723	1,676,625	9,220	598,562

12 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	1,738,711	113,329,183	1,136,032	73,751,197
Total	1,738,711	113,329,183	1,136,032	73,751,197

13 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Exchange gain -Net	-	-	10,940	710,225
Total	-	-	10,940	710,225

14 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	1,509,279	98,374,805	1,035,955	67,254,199
Total	1,509,279	98,374,805	1,035,955	67,254,199

15 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Advertising and publicity	(18,526)	(1,207,525)	50,097	3,252,297
Communication expenses	114	7,431	353	22,917
Electricity	6,887	448,895	4,586	297,723
Exchange loss -Net	76,958	5,016,122	-	-
Insurance expenses	2,188	142,614	1,862	120,881
Legal and professional fees	37,728	2,459,111	26,685	1,732,390
Miscellaneous expenses	2,403	156,628	2,272	147,497
Rates and Taxes	45,643	2,975,011	13,443	872,720
Repairs and Maintenance	42,403	2,763,828	1,564	101,535
- Plant & Machinery				
Services rendered by agencies	428	27,897	282	18,307
Travelling and conveyance expenses	2,787	181,657	-	-
Total	199,013	12,971,669	101,144	6,566,267



16 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	40,208	2,620,757	14,036	911,217
Guarantee fees	2,628	171,293	852	55,312
Total	42,836	2,792,050	14,888	966,529



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Ireland) Ltd.** ("the subsidiary") registered in Ireland as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar V.V.
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
		USD	INR*	USD	INR*
(A) ASSETS					
(1) Non-current assets					
Property, plant and equipment	1	548,846	35,773,782	93,851	6,092,807
Capital work-in-progress		366,564	23,892,642	207,612	13,478,171
Deferred tax assets (Net)		29,263	1,907,362	18,924	1,228,546
Other non-current assets	2	6,305	410,960	-	-
		950,978	61,984,746	320,387	20,799,524
(2) Current assets					
Financial assets					
(i) Trade receivables	3	2,258,609	147,216,135	901,259	58,509,734
(ii) Cash and cash equivalent	4	3	196	28	1,818
Other current assets	5	36,907	2,405,598	62,893	4,083,013
		2,295,519	149,621,929	964,180	62,594,565
TOTAL ASSETS		3,246,497	211,606,675	1,284,567	83,394,089
(B) EQUITY AND LIABILITIES					
(1) Equity					
Equity share capital	6	1	65	1	65
Other equity	7	22,150	1,443,738	(54,587)	(3,543,789)
Total Equity		22,151	1,443,803	(54,586)	(3,543,724)
(2) Non-current liabilities					
Other non current liabilities (Deferred revenue)		275,504	17,957,351	-	-
		275,504	17,957,351	-	-
(3) Current liabilities					
Financial liabilities					
(i) Borrowings	8	1,606,536	104,714,016	1,060,837	68,869,538
(ii) Trade payables	9	836,389	54,515,835	240,462	15,610,793
(iii) Other financial liabilities	10	184,186	12,005,243	37,281	2,420,283
Other current liabilities	11	320,660	20,900,619	-	-
Current tax liabilities (Net)		1,071	69,808	573	37,199
		2,948,842	192,205,521	1,339,153	86,937,813
TOTAL EQUITY AND LIABILITIES		3,246,497	211,606,675	1,284,567	83,394,089

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	12	3,308,153	215,625,413	1,060,389	68,840,454
ii	Total income		3,308,153	215,625,413	1,060,389	68,840,454
iii	Expenses:					
	Network and transmission expenses	13	2,585,681	168,534,688	579,419	37,615,881
	Employee benefits expenses	14	49,816	3,247,007	-	-
	Operating and other expenses	15	463,259	30,195,220	384,222	24,943,694
	Finance costs	16	53,216	3,468,619	27,858	1,808,541
	Depreciation and amortisation expenses		89,285	5,819,596	30,155	1,957,663
	Total expenses		3,241,257	211,265,130	1,021,654	66,325,779
iv	Profit before taxes (ii - iii)		66,896	4,360,283	38,735	2,514,675
v	Tax expenses					
	(i) Current tax expense/(benefit)		498	32,460	-	-
	(ii) Deferred tax expense/(benefit)		(10,339)	(673,896)	607	39,406
	Net tax expenses		(9,841)	(641,436)	607	39,406
vi	Profit / (loss) for the year (iv-v)		76,737	5,001,719	38,128	2,475,269

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	1,005,724	65,553,090	534,785	34,718,242
Computers	2,751	179,310	2,751	178,595
(a)	1,008,475	65,732,400	537,536	34,896,837
Accumulated depreciation:				
Plant and machinery	456,878	29,779,308	440,934	28,625,435
Computers	2,751	179,310	2,751	178,595
(b)	459,629	29,958,618	443,685	28,804,030
Net block (a) - (b)	548,846	35,773,782	93,851	6,092,807

2 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	6,305	410,960	-	-
Total	6,305	410,960	-	-

3 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	2,263,064	147,506,512	574,070	37,268,624
Intercompany receivables	-	-	327,189	21,241,110
Provision for doubtful debts	(4,455)	(290,377)	-	-
Total	2,258,609	147,216,135	901,259	58,509,734

4 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Cash in hand	3	196	28	1,818
Total	3	196	28	1,818



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	36,907	2,405,598	35,385	2,297,194
Indirect tax receivable	-	-	27,508	1,785,819
Total	36,907	2,405,598	62,893	4,083,013

6 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	1	65	1	65
Total	1	65	1	65

7 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(54,587)	(3,557,981)	(92,715)	(6,019,058)
Profit / (loss) for the year	76,737	5,001,719	38,128	2,475,269
Closing balance	22,150	1,443,738	(54,587)	(3,543,789)

8 Current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans taken	1,606,536	104,714,016	1,060,837	68,869,538
Total	1,606,536	104,714,016	1,060,837	68,869,538

9 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	345,043	22,489,903	240,462	15,610,793
Inter Company - Payables	491,346	32,025,932	-	-
Total	836,389	54,515,835	240,462	15,610,793



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

10 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Deposit from customers and contractors	7,385	481,354	-	-
Interest accrued but not due	29,954	1,952,402	12,850	834,222
Others	146,847	9,571,487	24,431	1,586,061
Total	184,186	12,005,243	37,281	2,420,283

11 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Deferred revenue and advance from customers	280,533	18,285,141	-	-
Other Statutory dues	40,127	2,615,478	-	-
Total	320,660	20,900,619	-	-

12 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	3,308,153	215,625,413	1,060,389	68,840,454
Total	3,308,153	215,625,413	1,060,389	68,840,454

13 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	2,585,681	168,534,688	579,419	37,615,881
Total	2,585,681	168,534,688	579,419	37,615,881

14 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Staff welfare expenses	49,816	3,247,007	-	-
Total	49,816	3,247,007	-	-



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

15 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Advertising and publicity	138,906	9,053,893	189,042	12,272,607
Auditors remuneration	12,100	788,678	12,100	785,532
Communication expenses	278	18,120	178	11,556
Electricity	9,467	617,059	-	-
Exchange loss -Net	112,114	7,307,591	13,012	844,739
Insurance expenses	2,330	151,869	1,405	91,213
Legal and professional fees	68,540	4,467,437	102,231	6,636,837
Miscellaneous expenses	54,057	3,523,434	51,310	3,331,046
Provision for doubtful debts	4,455	290,377	-	-
Repairs and Maintenance	50,413	3,285,919	12,383	803,904
- Plant & Machinery				
Services rendered by agencies	10,564	688,562	2,561	166,260
Travelling and conveyance expenses	35	2,281	-	-
Total	463,259	30,195,220	384,222	24,943,694

16 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	49,676	3,237,882	25,719	1,669,677
Guarantee fees	3,540	230,737	2,139	138,864
Total	53,216	3,468,619	27,858	1,808,541



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ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Italy) srl** ("the subsidiary") registered in Italy as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar Varma

(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
		USD	INR*	USD	INR*
(A) ASSETS					
(1) Non-current assets					
Property, plant and equipment	1	368,761	24,035,841	313,342	20,342,162
Capital work-in-progress		46,983	3,062,352	4,366	283,441
Non current tax asset		271,113	17,671,145	238,667	15,494,262
Other non-current assets	2	2,960	192,933	-	-
		689,817	44,962,271	556,375	36,119,865
(2) Current assets					
Financial assets					
(i) Trade receivables	3	1,568,842	102,257,121	1,435,977	93,223,627
(ii) Cash and cash equivalent	4	12,176	793,632	11,102	720,742
(iii) Other financial assets	5	32,437	2,114,244	52,480	3,407,001
Other current assets	6	5,185,606	337,997,798	20,071,580	1,303,046,974
		6,799,061	443,162,795	21,571,139	1,400,398,344
TOTAL ASSETS		7,488,878	488,125,066	22,127,514	1,436,518,209
(B) EQUITY AND LIABILITIES					
(1) Equity					
Equity share capital	7	6,016,835	392,177,305	6,016,835	390,612,928
Other equity	8	(6,165,879)	(401,891,995)	(5,746,602)	(373,069,403)
Total Equity		(149,044)	(9,714,690)	270,233	17,543,525
(2) Current liabilities					
Financial liabilities					
(i) Borrowings	9	5,849,090	381,243,686	20,071,521	1,303,043,143
(ii) Trade payables	10	1,265,185	82,464,758	1,039,865	67,508,036
(iii) Other financial liabilities	11	122,070	7,956,523	419,279	27,219,594
Other current liabilities	12	346,659	22,595,234	286,829	18,620,939
Provisions	13	54,918	3,579,555	39,787	2,582,972
		7,637,922	497,839,756	21,857,281	1,418,974,684
TOTAL EQUITY AND LIABILITIES		7,488,878	488,125,066	22,127,514	1,436,518,209

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	14	17,010,766	1,108,761,728	17,418,860	1,130,832,391
ii	Other Income	15	71,324	4,648,898	2,037,268	132,259,440
iii	Total income (i + ii)		17,082,090	1,113,410,626	19,456,128	1,263,091,831
iv	Expenses:					
	Network and transmission expenses	16	13,078,131	852,432,579	17,881,200	1,160,847,504
	Employee benefits expenses	17	817,225	53,266,726	650,587	42,236,108
	Operating and other expenses	18	2,899,324	188,977,939	665,472	43,202,444
	Finance costs	19	609,856	39,750,414	1,085,291	70,457,092
	Depreciation and amortisation expenses		96,831	6,311,445	76,962	4,996,373
	Total expenses		17,501,367	1,140,739,103	20,359,512	1,321,739,521
v	(Loss) / profit before taxes (iii - iv)		(419,277)	(27,328,477)	(903,384)	(58,647,690)
vi	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	(Loss) / profit for the year (v-vi)		(419,277)	(27,328,477)	(903,384)	(58,647,690)

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	1,942,286	126,598,201	1,787,795	116,063,651
Computers	1,653	107,743	1,653	107,313
(a)	1,943,939	126,705,944	1,789,448	116,170,964
Accumulated depreciation:				
Plant and machinery	1,573,525	102,562,360	1,474,453	95,721,489
Computers	1,653	107,743	1,653	107,313
(b)	1,575,178	102,670,103	1,476,106	95,828,802
Net block (a) - (b)	368,761	24,035,841	313,342	20,342,162

2 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	2,960	192,933	-	-
Total	2,960	192,933	-	-

3 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	1,382,078	90,083,844	999,712	64,901,303
Intercompany receivables	237,790	15,499,152	514,349	33,391,537
Provision for doubtful debts	(51,026)	(3,325,875)	(78,084)	(5,069,213)
Total	1,568,842	102,257,121	1,435,977	93,223,627

4 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	12,176	793,632	11,102	720,742
Total	12,176	793,632	11,102	720,742



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Advances to employees	28,789	1,876,467	48,969	3,179,067
Interest Receivable	3,253	212,031	-	-
Others	395	25,746	3,511	227,934
Total	32,437	2,114,244	52,480	3,407,001

6 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	5,284	344,411	-	-
Prepaid expenses	118,806	7,743,775	143,713	9,329,848
Indirect tax receivable	5,061,036	329,878,326	19,927,867	1,293,717,126
Others	480	31,286	-	-
Total	5,185,606	337,997,798	20,071,580	1,303,046,974

7 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	6,016,835	392,177,305	6,016,835	390,612,928
Total	6,016,835	392,177,305	6,016,835	390,612,928

8 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(5,746,602)	(374,563,518)	(4,843,218)	(314,421,713)
Profit / (loss) for the year	(419,277)	(27,328,477)	(903,384)	(58,647,690)
Closing balance	(6,165,879)	(401,891,995)	(5,746,602)	(373,069,403)

9 Current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans taken	5,849,090	381,243,686	20,071,521	1,303,043,143
Total	5,849,090	381,243,686	20,071,521	1,303,043,143



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

10 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	1,265,185	82,464,758	1,039,865	67,508,036
Total	1,265,185	82,464,758	1,039,865	67,508,036

11 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Deposit from customers and contractors	19,326	1,259,669	16,767	1,088,514
Interest accrued but not due	74,289	4,842,157	400,731	26,015,457
Others	28,455	1,854,697	1,781	115,623
Total	122,070	7,956,523	419,279	27,219,594

12 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Other Employee dues	346,659	22,595,234	286,829	18,620,939
Total	346,659	22,595,234	286,829	18,620,939

13 Current liabilities - provisions

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Leave entitlement	54,918	3,579,555	39,787	2,582,972
Total	54,918	3,579,555	39,787	2,582,972

14 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	17,010,766	1,108,761,728	17,418,860	1,130,832,391
Total	17,010,766	1,108,761,728	17,418,860	1,130,832,391



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

15 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest on loan to subsidiaries	41,151	2,682,222	35,531	2,306,673
Exchange gain -Net	-	-	2,000,981	129,903,687
Miscellaneous income	30,173	1,966,676	756	49,080
Total	71,324	4,648,898	2,037,268	132,259,440

16 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	13,078,131	852,432,579	17,881,200	1,160,847,504
Total	13,078,131	852,432,579	17,881,200	1,160,847,504

17 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	815,177	53,133,237	646,674	41,982,076
Staff welfare expenses	2,048	133,489	3,913	254,032
Total	817,225	53,266,726	650,587	42,236,108

18 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Advertising and publicity	49,724	3,241,010	41,485	2,693,206
Auditors remuneration	50,000	3,259,000	50,000	3,246,000
Communication expenses	7,858	512,184	8,019	520,593
Electricity	30,097	1,961,722	24,974	1,621,312
Entertainment expenses	33	2,151	9	584
Exchange loss -Net	1,994,250	129,985,215	-	-
Insurance expenses	4,328	282,099	4,097	265,977
IT consumables	18	1,173	-	-
Legal and professional fees	237,461	15,477,708	157,435	10,220,680
Miscellaneous expenses	4,053	264,177	7,660	497,291
Printing and stationery	1,231	80,237	1,149	74,593
Provision for doubtful debts	(27,058)	(1,763,640)	(8,517)	(552,924)
Rates and Taxes	159,186	10,375,743	100,850	6,547,182
Rent	-	-	2,122	137,760
Repairs and Maintenance	231,435	15,084,933	191,881	12,456,915
- Plant & Machinery				
Seminars, trainings and conferences	1,345	87,667	-	-
Services rendered by agencies	38,474	2,507,735	33,475	2,173,197
Bad debts written off	63,900	4,165,002	-	-
Travelling and conveyance expenses	52,989	3,453,823	50,833	3,300,078
Total	2,899,324	188,977,939	665,472	43,202,444



19 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	546,951	35,650,266	983,624	63,856,870
Guarantee fees	62,905	4,100,148	101,667	6,600,222
Total	609,856	39,750,414	1,085,291	70,457,092



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Japan) KK** ("the subsidiary") registered in Japan as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



Suresh Surana & Associates LLP

Chartered Accountants

The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vatwani
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
		USD	INR*	USD	INR*
(A) ASSETS					
(1) Non-current assets					
Property, plant and equipment	1	62,830,233	4,095,274,586	67,060,217	4,353,549,287
Capital work-in-progress		720,820	46,983,048	2,737,842	177,740,703
Financial assets					
(i) Loans	2	3,936,730	256,596,061	-	-
(ii) Other financial assets	3	164,199	10,702,491	156,475	10,158,357
Other non-current assets	4	5,457	355,687	17,456	1,133,244
		67,657,439	4,409,911,873	69,971,990	4,542,581,591
(2) Current assets					
Financial assets					
(i) Trade receivables	5	2,773,322	180,765,128	2,136,052	138,672,496
(ii) Cash and cash equivalent	6	383,211	24,977,693	274,049	17,791,261
(iii) Other financial assets	7	274	17,859	677	43,951
Other current assets	8	912,281	59,462,476	1,375,310	89,285,126
		4,069,088	265,223,156	3,786,088	245,792,834
TOTAL ASSETS		71,726,527	4,675,135,029	73,758,078	4,788,374,425
(B) EQUITY AND LIABILITIES					
(1) Equity					
Equity share capital	9	3,628,039	236,475,582	3,628,039	235,532,292
Other equity	10	(3,779,115)	(246,322,717)	(4,542,622)	(294,907,018)
Total Equity		(151,076)	(9,847,135)	(914,583)	(59,374,726)
(2) Non-current liabilities					
Provisions	11	1,244,025	81,085,550	1,176,329	76,367,279
Deferred tax liabilities (Net)		4,330,932	282,290,148	5,099,400	331,053,048
Other non current liabilities (Deferred revenue)		49,676,780	3,237,932,520	43,626,552	2,832,235,756
		55,251,737	3,601,308,218	49,902,281	3,239,656,083
(3) Current liabilities					
Financial liabilities					
(i) Borrowings	12	-	-	5,506,593	357,488,018
(ii) Trade payables	13	6,084,136	396,563,985	11,791,714	765,518,072
(iii) Other financial liabilities	14	271,666	17,707,190	120,382	7,815,199
Other current liabilities	15	8,633,949	562,760,796	7,085,036	459,960,537
Provisions	16	66,157	4,312,113	63,536	4,124,757
Current tax liabilities (Net)		1,569,958	102,329,862	203,119	13,186,485
		16,625,866	1,083,673,946	24,770,380	1,608,093,068
TOTAL EQUITY AND LIABILITIES		71,726,527	4,675,135,029	73,758,078	4,788,374,425

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	17	34,079,671	2,221,312,956	28,603,264	1,856,923,899
ii	Other Income	18	65,518	4,270,463	9,123	592,265
iii	Total income (i + ii)		34,145,189	2,225,583,419	28,612,387	1,857,516,164
iv	Expenses:					
	Network and transmission expenses	19	15,423,277	1,005,289,195	14,719,489	955,589,226
	Employee benefits expenses	20	1,730,439	112,790,014	1,790,149	116,216,473
	Operating and other expenses	21	4,359,880	284,176,979	4,053,608	263,160,228
	Finance costs	22	447,943	29,196,925	154,432	10,025,726
	Depreciation and amortisation expenses		10,939,563	713,040,716	9,903,991	642,967,096
	Total expenses		32,901,102	2,144,493,829	30,621,669	1,987,958,749
v	Profit / (loss) before exceptional items and taxes (iii - iv)		1,244,087	81,089,590	(2,009,282)	(130,442,585)
vi	Exceptional items:					
	Staff cost optimisation		-	-	(24,854)	(1,613,522)
vii	Profit / (loss) before taxes (v + vi)		1,244,087	81,089,590	(2,034,136)	(132,056,107)
viii	Tax expenses					
	(i) Current tax expense/(benefit)		1,249,048	81,412,949	482,710	31,337,533
	(ii) Deferred tax expense/(benefit)		(768,468)	(50,088,744)	(1,644,865)	(106,784,636)
	Net tax expenses		480,580	31,324,205	(1,162,155)	(75,447,103)
ix	Profit / (loss) for the year (vii-viii)		763,507	49,765,385	(871,981)	(56,609,004)

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Land	2,087,335	136,052,495	2,087,335	135,509,788
Building	3,639,635	237,231,409	3,639,635	236,285,104
Lease hold improvement	40,434	2,635,488	40,434	2,624,975
Cables	80,977,988	5,278,145,258	76,268,636	4,951,359,849
Plant and machinery	84,186,718	5,487,290,279	83,352,560	5,411,248,195
Furniture and fixtures	41,278	2,690,500	41,278	2,679,768
Computers	478,331	31,177,615	478,331	31,053,249
Office equipment	291,477	18,998,471	235,853	15,311,577
(a)	171,743,196	11,194,221,515	166,144,062	10,786,072,505
Accumulated depreciation:				
Land	-	-	-	-
Building	1,849,803	120,570,160	1,704,218	110,637,833
Lease hold improvement	40,434	2,635,488	40,434	2,624,975
Cables	45,006,519	2,933,524,908	39,819,275	2,585,067,333
Plant and machinery	61,377,709	4,000,599,073	56,925,354	3,695,593,982
Furniture and fixtures	16,910	1,102,194	13,300	863,436
Computers	468,971	30,567,530	460,174	29,874,496
Office equipment	152,617	9,947,576	121,090	7,861,163
(b)	108,912,963	7,098,946,929	99,083,845	6,432,523,218
Net block (a) - (b)	62,830,233	4,095,274,586	67,060,217	4,353,549,287

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans given	3,936,730	256,596,061	-	-
Total	3,936,730	256,596,061	-	-

3 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Vendor deposits	164,199	10,702,491	156,475	10,158,357
Total	164,199	10,702,491	156,475	10,158,357



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	5,457	355,687	17,456	1,133,244
Total	5,457	355,687	17,456	1,133,244

5 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	2,845,421	185,464,541	2,143,661	139,166,472
Provision for doubtful debts	(72,099)	(4,699,413)	(7,609)	(493,976)
Total	2,773,322	180,765,128	2,136,052	138,672,496

6 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	383,211	24,977,693	274,049	17,791,261
Total	383,211	24,977,693	274,049	17,791,261

7 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Others	274	17,859	677	43,951
Total	274	17,859	677	43,951

8 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	5,815	379,022	-	-
Prepaid expenses	274,922	17,919,416	438,268	28,452,359
Indirect tax receivable	631,544	41,164,038	937,042	60,832,767
Total	912,281	59,462,476	1,375,310	89,285,126



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

9 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	3,628,039	236,475,582	3,628,039	235,532,292
Total	3,628,039	236,475,582	3,628,039	235,532,292

10 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(4,542,622)	(296,088,102)	(3,670,641)	(238,298,014)
Profit / (loss) for the year	763,507	49,765,385	(871,981)	(56,609,004)
Closing balance	(3,779,115)	(246,322,717)	(4,542,622)	(294,907,018)

11 Non-current liabilities - provisions

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Asset retirement obligation and others	1,244,025	81,085,550	1,176,329	76,367,279
Total	1,244,025	81,085,550	1,176,329	76,367,279

12 Current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans taken	-	-	5,506,593	357,488,018
Total	-	-	5,506,593	357,488,018

13 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	4,323,555	281,809,315	9,850,932	639,522,505
Inter Company - Payables	1,760,581	114,754,670	1,940,782	125,995,567
Total	6,084,136	396,563,985	11,791,714	765,518,072



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

14 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Deposit from customers and contractors	215,000	14,013,700	11,000	714,120
Interest accrued but not due	39,641	2,583,800	96,237	6,247,706
Others	17,025	1,109,690	13,145	853,373
Total	271,666	17,707,190	120,382	7,815,199

15 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Deferred revenue and advance from customers	8,410,809	548,216,531	6,782,470	440,317,952
Other Employee dues	157,211	10,247,013	208,193	13,515,890
Other Statutory dues	65,929	4,297,252	94,373	6,126,695
Total	8,633,949	562,760,796	7,085,036	459,960,537

16 Current liabilities - provisions

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Leave entitlement	66,157	4,312,113	63,536	4,124,757
Total	66,157	4,312,113	63,536	4,124,757

17 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	34,079,671	2,221,312,956	28,603,264	1,856,923,899
Total	34,079,671	2,221,312,956	28,603,264	1,856,923,899

18 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest income - others	2	130	1	65
Interest on loan to subsidiaries	8,590	559,896	7,221	468,787
Exchange gain -Net	47,684	3,108,043	-	-
Miscellaneous income	9,242	602,394	1,901	123,413
Total	65,518	4,270,463	9,123	592,265



19 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	15,423,277	1,005,289,195	14,719,489	955,589,226
Total	15,423,277	1,005,289,195	14,719,489	955,589,226

20 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	1,726,419	112,527,990	1,786,997	116,011,845
Staff welfare expenses	4,020	262,024	3,152	204,628
Total	1,730,439	112,790,014	1,790,149	116,216,473

21 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Advertising and publicity	-	-	7,051	457,751
Communication expenses	51,224	3,338,780	58,444	3,794,184
Donations	-	-	1,767	114,714
Electricity	1,522,089	99,209,761	1,382,521	89,753,263
Entertainment expenses	10,562	688,431	4,640	301,229
Exchange loss -Net	-	-	259,903	16,872,903
Insurance expenses	72,534	4,727,766	66,794	4,336,266
IT consumables	2,046	133,358	3,034	196,967
Legal and professional fees	165,556	10,790,940	226,839	14,726,388
Miscellaneous expenses	82,294	5,363,924	24,090	1,563,921
Printing and stationery	10,432	679,958	12,557	815,200
Provision for doubtful debts	64,490	4,203,458	2,540	164,897
Rates and Taxes	392,101	25,557,143	414,364	26,900,511
Recruitment expenses	1,466	95,554	98,646	6,404,098
Relocation Expense	-	-	1,629	105,755
Rent	282,823	18,434,403	108,969	7,074,267
Repairs and Maintenance	1,389,912	90,594,464	1,169,229	75,906,347
- Plant & Machinery				
Repairs and Maintenance -Building	64,231	4,186,577	78,657	5,106,412
Seminars, trainings and conferences	120	7,822	305	19,801
Services rendered by agencies	194,888	12,702,800	75,609	4,908,536
Bad debts written off	29,267	1,907,623	-	-
Travelling and conveyance expenses	23,845	1,554,217	56,020	3,636,818
Total	4,359,880	284,176,979	4,053,608	263,160,228



22 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	245,329	15,990,544	153,554	9,968,726
Guarantee fees	202,614	13,206,381	878	57,000
Total	447,943	29,196,925	154,432	10,025,726



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ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Malaysia) Sdn Bhd** ("the subsidiary") registered in Malaysia as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010


(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
			USD	INR*	USD	INR*
(A)	ASSETS					
(1)	Non-current assets					
	Property, plant and equipment	1	935,162	60,953,859	533,504	34,635,080
	Capital work-in-progress		15,220	992,040	167,868	10,897,991
	Financial assets					
	(i) Loans	2	244,069	15,908,417	-	-
	(ii) Other financial assets	3	9,049	589,814	7,909	513,452
	Deferred tax assets (Net)		14,962	975,223	-	-
	Non current tax asset		-	-	16,833	1,092,798
	Other non-current assets	4	22,750	1,482,845	68,681	4,458,771
			1,241,212	80,902,198	794,795	51,598,092
(2)	Current assets					
	Financial assets					
	(i) Trade receivables	5	1,965,257	128,095,452	843,818	54,780,665
	(ii) Cash and cash equivalent	6	-	-	479,064	31,100,835
	(iii) Other financial assets	7	32,025	2,087,389	1,134	73,619
	Other current assets	8	131,740	8,586,813	80,113	5,200,936
			2,129,022	138,769,654	1,404,129	91,156,055
	TOTAL ASSETS		3,370,234	219,671,852	2,198,924	142,754,147
(B)	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity share capital	9	47,560	3,099,961	47,560	3,087,595
	Other equity	10	319,535	20,827,291	224,480	14,573,243
	Total Equity		367,095	23,927,252	272,040	17,660,838
(2)	Non-current liabilities					
	Deferred tax liabilities (Net)		-	-	86,176	5,594,546
	Other non current liabilities (Deferred revenue)		10,090	657,666	-	-
			10,090	657,666	86,176	5,594,546
(3)	Current liabilities					
	Financial liabilities					
	(i) Borrowings	11	-	-	602,628	39,122,610
	(ii) Trade payables	12	2,810,767	183,205,793	1,161,576	75,409,514
	(iii) Other financial liabilities	13	43,735	2,850,647	14,369	932,835
	Other current liabilities	14	123,831	8,071,305	55,537	3,605,462
	Provisions	15	7,060	460,171	6,598	428,342
	Current tax liabilities (Net)		7,656	499,018	-	-
			2,993,049	195,086,934	1,840,708	119,498,763
	TOTAL EQUITY AND LIABILITIES		3,370,234	219,671,852	2,198,924	142,754,147

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	16	6,779,031	441,857,241	3,417,244	221,847,480
ii	Other Income	17	147,582	9,619,395	43,748	2,840,120
iii	Total income (i + ii)		6,926,613	451,476,636	3,460,992	224,687,600
iv	Expenses:					
	Network and transmission expenses	18	5,358,554	349,270,550	2,117,567	137,472,450
	Employee benefits expenses	19	598,492	39,009,709	462,516	30,026,538
	Operating and other expenses	20	673,863	43,922,391	595,598	38,666,220
	Finance costs	21	22,481	1,465,311	20,373	1,322,615
	Depreciation and amortisation expenses		170,629	11,121,598	104,653	6,794,073
	Total expenses		6,824,019	444,789,559	3,300,707	214,281,896
v	Profit / (loss) before exceptional items and taxes (iii - iv)		102,594	6,687,077	160,285	10,405,704
vi	Exceptional items:					
	Staff cost optimisation		(15,556)	(1,013,940)	-	-
vii	Profit / (loss) before taxes (v + vi)		87,038	5,673,137	160,285	10,405,704
viii	Tax expenses					
	(i) Current tax expense/(benefit)		93,121	6,069,627	28,851	1,873,007
	(ii) Deferred tax expense/(benefit)		(101,138)	(6,592,175)	4,861	315,576
	Net tax expenses		(8,017)	(522,548)	33,712	2,188,583
ix	Profit / (loss) for the year (vii-viii)		95,055	6,195,685	126,573	8,217,121



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	1,322,768	86,218,018	748,436	48,588,465
(a)	1,322,768	86,218,018	748,436	48,588,465
Accumulated depreciation:				
Plant and machinery	387,606	25,264,159	214,932	13,953,385
(b)	387,606	25,264,159	214,932	13,953,385
Net block (a) - (b)	935,162	60,953,859	533,504	34,635,080

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans given	244,069	15,908,417	-	-
Total	244,069	15,908,417	-	-

3 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Vendor deposits	9,049	589,814	7,909	513,452
Total	9,049	589,814	7,909	513,452

4 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	22,750	1,482,845	68,681	4,458,771
Total	22,750	1,482,845	68,681	4,458,771

5 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	1,346,849	87,787,618	667,592	43,340,073
Intercompany receivables	640,532	41,749,876	179,628	11,661,450
Provision for doubtful debts	(22,124)	(1,442,042)	(3,402)	(220,858)
Total	1,965,257	128,095,452	843,818	54,780,665



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

6 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	-	-	479,064	31,100,835
Total	-	-	479,064	31,100,835

7 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Interest Receivable	4,679	304,977	-	-
Others	27,346	1,782,412	1,134	73,619
Total	32,025	2,087,389	1,134	73,619

8 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	80,769	5,264,523	80,108	5,200,611
Indirect tax receivable	50,971	3,322,290	-	-
Others	-	-	5	325
Total	131,740	8,586,813	80,113	5,200,936

9 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	47,560	3,099,961	47,560	3,087,595
Total	47,560	3,099,961	47,560	3,087,595

10 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	224,480	14,631,606	97,907	6,356,122
Profit / (loss) for the year	95,055	6,195,685	126,573	8,217,121
Closing balance	319,535	20,827,291	224,480	14,573,243



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11 Current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans taken	-	-	602,628	39,122,610
Total	-	-	602,628	39,122,610

12 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	2,810,767	183,205,793	1,161,576	75,409,514
Total	2,810,767	183,205,793	1,161,576	75,409,514

13 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Interest accrued but not due	-	-	14,369	932,835
Others	43,735	2,850,647	-	-
Total	43,735	2,850,647	14,369	932,835

14 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Deferred revenue and advance from customers	19,550	1,274,269	-	-
Other Employee dues	104,281	6,797,036	40,974	2,660,032
Other Statutory dues	-	-	14,563	945,430
Total	123,831	8,071,305	55,537	3,605,462

15 Current liabilities - provisions

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Leave entitlement	7,060	460,171	6,598	428,342
Total	7,060	460,171	6,598	428,342



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

16 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	6,779,031	441,857,241	3,417,244	221,847,480
Total	6,779,031	441,857,241	3,417,244	221,847,480

17 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest on loan to subsidiaries	8,083	526,850	-	-
Miscellaneous income	139,499	9,092,545	43,748	2,840,120
Total	147,582	9,619,395	43,748	2,840,120

18 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	5,358,554	349,270,550	2,117,567	137,472,450
Total	5,358,554	349,270,550	2,117,567	137,472,450

19 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	543,965	35,455,639	415,864	26,997,891
Contribution to provident and other funds	49,906	3,252,873	42,957	2,788,768
Staff welfare expenses	4,621	301,197	3,695	239,879
Total	598,492	39,009,709	462,516	30,026,538



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

20 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Auditors remuneration	3,355	218,679	2,350	152,562
Communication expenses	12,282	800,541	13,723	890,897
Directors fees	2,289	149,197	5,242	340,311
Electricity	-	-	4,378	284,220
Entertainment expenses	15,226	992,431	24,143	1,567,364
Exchange loss -Net	92,831	6,050,725	104,543	6,786,932
Insurance expenses	10,832	706,030	9,063	588,370
IT consumables	1,208	78,737	516	33,499
Legal and professional fees	15,516	1,011,333	28,403	1,843,923
Miscellaneous expenses	55,245	3,600,869	39,850	2,587,059
Printing and stationery	1,302	84,864	599	38,887
Provision for doubtful debts	18,722	1,220,300	3,402	220,858
Rates and Taxes	115,167	7,506,585	72,346	4,696,702
Recruitment expenses	661	43,084	16,734	1,086,371
Rent	171,003	11,145,976	26,665	1,731,092
Repairs and Maintenance	78,654	5,126,668	143,677	9,327,511
- Plant & Machinery	-	-	508	32,979
Seminars, trainings and conferences	-	-	82,771	5,373,493
Services rendered by agencies	49,241	3,209,528	16,685	1,083,190
Travelling and conveyance expenses	30,329	1,976,844	595,598	38,666,220
Total	673,863	43,922,391		

21 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest expenses	9,373	610,932	19,562	1,269,965
Guarantee fees	13,108	854,379	811	52,650
Total	22,481	1,465,311	20,373	1,322,615



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Middle East) FZ-LLC** ("the subsidiary") registered in Dubai, United Arab Emirates as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vatman VV
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
		USD	INR*	USD	INR*
(A) ASSETS					
(1) Non-current assets					
Property, plant and equipment	1	118,428	7,719,137	31,027	2,014,273
Capital work-in-progress		21,188	1,381,034	-	-
Investments in subsidiaries & associates	2	136,006	8,864,871	136,006	8,829,510
Financial assets					
(i) Other financial assets	3	-	-	16,335	1,060,468
Non current tax asset		38	2,477	38	2,467
		275,660	17,967,519	183,406	11,906,718
(2) Current assets					
Financial assets					
(i) Trade receivables	4	1,839,594	119,904,737	850,767	55,231,794
(ii) Cash and cash equivalent	5	51,673	3,368,046	305,216	19,814,623
(iii) Other financial assets	6	157,661	10,276,344	28,402	1,843,858
Other current assets	7	112,936	7,361,169	38,305	2,486,761
		2,161,864	140,910,296	1,222,690	79,377,036
TOTAL ASSETS		2,437,524	158,877,815	1,406,096	91,283,754
(B) EQUITY AND LIABILITIES					
(1) Equity					
Equity share capital	8	13,750	896,225	13,750	892,650
Other equity	9	(3,403,260)	(221,824,487)	(3,675,898)	(238,639,297)
Total Equity		(3,389,510)	(220,928,262)	(3,662,148)	(237,746,647)
(2) Non-current liabilities					
Provisions	10	734,097	47,848,443	477,447	30,995,860
		734,097	47,848,443	477,447	30,995,860
(3) Current liabilities					
Financial liabilities					
(i) Borrowings	11	3,324,866	216,714,766	3,733,058	242,350,125
(ii) Trade payables	12	406,210	26,476,768	83,335	5,410,108
(iii) Other financial liabilities	13	115,217	7,509,844	106,081	6,886,779
Other current liabilities	14	1,026,304	66,894,495	553,165	35,911,472
Provisions	15	220,340	14,361,761	115,158	7,476,057
		5,092,937	331,957,634	4,590,797	298,034,541
TOTAL EQUITY AND LIABILITIES		2,437,524	158,877,815	1,406,096	91,283,754

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from operations	16	8,367,444	545,390,000	7,045,996	457,426,060
ii	Other Income	17	1,440,582	93,897,135	1,042,546	67,682,086
iii	Total income (i + ii)		9,808,026	639,287,135	8,088,542	525,108,146
iv	Expenses:					
	Employee benefits expenses	18	7,807,872	508,917,097	6,655,521	432,076,424
	Operating and other expenses	19	1,211,093	78,939,041	1,022,520	66,381,997
	Finance costs	20	349,243	22,763,659	233,722	15,173,232
	Depreciation and amortisation expenses		31,764	2,070,378	14,758	958,089
	Total expenses		9,399,972	612,690,175	7,926,521	514,589,742
v	Profit / (loss) before exceptional items and taxes (iii - iv)		408,054	26,596,960	162,021	10,518,404
vi	Exceptional items:					
	Staff cost optimisation		(135,416)	(8,826,415)	-	-
vii	Profit / (loss) before taxes (v + vi)		272,638	17,770,545	162,021	10,518,404
viii	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
ix	Profit / (loss) for the year (vii-viii)		272,638	17,770,545	162,021	10,518,404

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	178,229	11,616,966	77,554	5,034,806
Furniture and fixtures	41,175	2,683,787	41,175	2,673,081
Computers	65,951	4,298,686	47,460	3,081,103
(a)	285,355	18,599,439	166,189	10,788,990
Accumulated depreciation:				
Lease hold improvement	85,298	5,559,724	77,554	5,034,806
Furniture and fixtures	15,769	1,027,823	10,513	682,504
Computers	65,860	4,292,755	47,095	3,057,407
(b)	166,927	10,880,302	135,162	8,774,717
Net block (a) - (b)	118,428	7,719,137	31,027	2,014,273

2 Investments in subsidiaries & associates

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Investments in subsidiaries	136,006	8,864,871	136,006	8,829,510
Total	136,006	8,864,871	136,006	8,829,510

3 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Vendor deposits	-	-	16,335	1,060,468
Total	-	-	16,335	1,060,468

4 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Intercompany receivables	1,839,594	119,904,737	850,767	55,231,794
Total	1,839,594	119,904,737	850,767	55,231,794



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Cash in hand	-	-	189,885	12,327,334
Balance with bank	51,673	3,368,046	115,331	7,487,289
Total	51,673	3,368,046	305,216	19,814,623

6 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Security Deposit	16,335	1,064,715	-	-
Advances to employees	141,323	9,211,433	28,402	1,843,858
Others	3	196	-	-
Total	157,661	10,276,344	28,402	1,843,858

7 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	64,500	4,204,110	-	-
Prepaid expenses	47,950	3,125,381	38,305	2,486,761
Indirect tax receivable	144	9,386	-	-
Others	342	22,292	-	-
Total	112,936	7,361,169	38,305	2,486,761

8 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	13,750	896,225	13,750	892,650
Total	13,750	896,225	13,750	892,650



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

9 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(3,675,898)	(239,595,032)	(3,837,919)	(249,157,701)
Profit / (loss) for the year	272,638	17,770,545	162,021	10,518,404
Closing balance	(3,403,260)	(221,824,487)	(3,675,898)	(238,639,297)

10 Non-current liabilities - provisions

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Asset retirement obligation and others	101,025	6,584,810	-	-
Provision for gratuity	576,084	37,549,155	456,767	29,653,314
Retention liability	56,988	3,714,478	20,680	1,342,546
Total	734,097	47,848,443	477,447	30,995,860

11 Current liabilities - borrowings

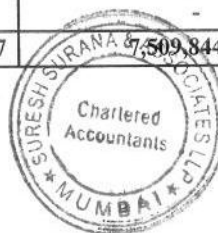
Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans taken	3,324,866	216,714,766	3,733,058	242,350,125
Total	3,324,866	216,714,766	3,733,058	242,350,125

12 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	406,210	26,476,768	83,335	5,410,108
Total	406,210	26,476,768	83,335	5,410,108

13 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Deposit from customers and contractors	528	34,415	-	-
Interest accrued but not due	114,689	7,475,429	106,079	6,886,649
Others	-	-	2	130
Total	115,217	7,509,844	106,081	6,886,779



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

14 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Other Employee dues	1,026,304	66,894,495	553,165	35,911,472
Total	1,026,304	66,894,495	553,165	35,911,472

15 Current liabilities - provisions

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Leave entitlement	220,340	14,361,761	115,158	7,476,057
Total	220,340	14,361,761	115,158	7,476,057

16 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Management consultancy Services	8,367,444	545,390,000	7,045,996	457,426,060
Total	8,367,444	545,390,000	7,045,996	457,426,060

17 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Miscellaneous income	1,440,582	93,897,135	1,042,546	67,682,086
Total	1,440,582	93,897,135	1,042,546	67,682,086

18 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	7,596,596	495,146,127	6,470,355	420,055,447
Contribution to provident and other funds	166,226	10,834,611	169,786	11,022,507
Staff welfare expenses	45,050	2,936,359	15,380	998,470
Total	7,807,872	508,917,097	6,655,521	432,076,424



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

19 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Advertising and publicity	147,344	9,603,882	89,450	5,807,094
Auditors remuneration	5,445	354,905	5,717	371,148
Communication expenses	112,245	7,316,129	164,702	10,692,454
Entertainment expenses	5,056	329,550	8,911	578,502
Exchange loss -Net	179,089	11,673,021	60,907	3,954,082
Insurance expenses	13,443	876,215	15,359	997,106
IT consumables	8,075	526,329	9,821	637,579
Legal and professional fees	41,262	2,689,457	64,599	4,193,767
Miscellaneous expenses	11,347	739,597	8,096	525,593
Printing and stationery	9,197	599,460	1,246	80,890
Rates and Taxes	9,623	627,227	98	6,362
Recruitment expenses	26,750	1,743,565	-	-
Relocation Expense	4,084	266,195	13,613	883,756
Rent	161,999	10,559,095	139,910	9,082,957
Repairs and Maintenance -Building	7,283	474,706	-	-
Seminars, trainings and conferences	6,396	416,891	13,670	887,456
Services rendered by agencies	21,963	1,431,548	30,362	1,971,101
Travelling and conveyance expenses	440,492	28,711,269	396,059	25,712,150
Total	1,211,093	78,939,041	1,022,520	66,381,997

20 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	208,768	13,607,498	217,953	14,149,509
Guarantee fees	140,475	9,156,161	15,769	1,023,723
Total	349,243	22,763,659	233,722	15,173,232



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Nordic) AS** ("the subsidiary") registered in Norway as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar V

(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
		USD	INR*	USD	INR*
(A) ASSETS					
(1) Non-current assets					
Property, plant and equipment	1	295,228	19,242,961	73,150	4,748,898
Capital work-in-progress		2,906	189,413	104,017	6,752,784
Financial assets					
(i) Loans	2	768,268	50,075,708	712,837	46,277,378
(ii) Other financial assets	3	5,686	370,613	4,933	320,250
Deferred tax assets (Net)		-	-	761	49,404
Non current tax asset		72	4,693	72	4,674
Other non-current assets	4	36,803	2,398,820	3,544	230,076
		1,108,963	72,282,208	899,314	58,383,464
(2) Current assets					
Financial assets					
(i) Trade receivables	5	517,258	33,714,877	313,764	20,369,558
(ii) Cash and cash equivalent	6	20,472	1,334,365	64,261	4,171,824
(iii) Other financial assets	7	10,261	668,812	7,073	459,179
Other current assets	8	37,231	2,426,717	56,126	3,643,700
		585,222	38,144,771	441,224	28,644,261
TOTAL ASSETS		1,694,185	110,426,979	1,340,538	87,027,725
(B) EQUITY AND LIABILITIES					
(1) Equity					
Equity share capital	9	16,708	1,089,027	16,708	1,084,683
Other equity	10	129,045	8,411,155	82,280	5,341,616
Total Equity		145,753	9,500,182	98,988	6,426,299
(2) Non-current liabilities					
Deferred tax liabilities (Net)		7,227	471,056	-	-
Other non current liabilities (Deferred revenue)		142,128	9,263,903	965,300	62,667,276
		149,355	9,734,959	965,300	62,667,276
(3) Current liabilities					
Financial liabilities					
(i) Trade payables	11	1,000,587	65,218,261	197,846	12,844,162
(ii) Other financial liabilities	12	2,100	136,878	-	-
Other current liabilities	13	343,482	22,388,156	50,793	3,297,482
Provisions	14	52,908	3,448,543	27,611	1,792,506
		1,399,077	91,191,838	276,250	17,934,150
TOTAL EQUITY AND LIABILITIES		1,694,185	110,426,979	1,340,538	87,027,725

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	15	4,071,339	265,369,876	979,179	63,568,301
ii	Other Income	16	109,456	7,134,342	91,928	5,967,966
iii	Total income (i + ii)		4,180,795	272,504,218	1,071,107	69,536,267
iv	Expenses:					
	Network and transmission expenses	17	3,220,263	209,896,742	155,240	10,078,181
	Employee benefits expenses	18	410,187	26,735,989	266,108	17,275,731
	Operating and other expenses	19	454,978	29,655,464	542,051	35,189,954
	Finance costs	20	8,356	544,644	3,644	236,568
	Depreciation and amortisation expenses		32,258	2,102,576	6,262	406,529
	Total expenses		4,126,042	268,935,415	973,305	63,186,963
v	Profit before taxes (iii - iv)		54,753	3,568,803	97,802	6,349,304
vi	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		7,988	520,658	-	-
	Net tax expenses		7,988	520,658	-	-
vii	Profit / (loss) for the year (v-vi)		46,765	3,048,145	97,802	6,349,304

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	475,213	30,974,383	380,221	24,683,947
Computers	212	13,818	212	13,763
(a)	475,425	30,988,201	380,433	24,697,710
Accumulated depreciation:				
Plant and machinery	179,985	11,731,422	307,071	19,935,049
Computers	212	13,818	212	13,763
(b)	180,197	11,745,240	307,283	19,948,812
Net block (a) - (b)	295,228	19,242,961	73,150	4,748,898

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans given	768,268	50,075,708	712,837	46,277,378
Total	768,268	50,075,708	712,837	46,277,378

3 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Vendor deposits	5,686	370,613	4,933	320,250
Total	5,686	370,613	4,933	320,250

4 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	36,803	2,398,820	3,544	230,076
Total	36,803	2,398,820	3,544	230,076

5 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	521,270	33,976,379	73,944	4,800,444
Intercompany receivables	-	-	241,144	15,655,068
Provision for doubtful debts	(4,012)	(261,502)	(1,324)	(85,954)
Total	517,258	33,714,877	313,764	20,369,558



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

6 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	20,472	1,334,365	64,261	4,171,824
Total	20,472	1,334,365	64,261	4,171,824

7 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Advances to employees	853	55,599	-	-
Interest Receivable	9,408	613,213	7,073	459,179
Total	10,261	668,812	7,073	459,179

8 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	37,231	2,426,717	12,009	779,624
Indirect tax receivable	-	-	44,117	2,864,076
Total	37,231	2,426,717	56,126	3,643,700

9 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	16,708	1,089,027	16,708	1,084,683
Total	16,708	1,089,027	16,708	1,084,683

10 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(1,061,567)	(69,192,937)	(1,159,369)	(75,266,235)
Profit / (loss) for the year	46,765	3,048,145	97,802	6,349,304
Closing balance	(1,014,802)	(66,144,792)	(1,061,567)	(68,916,931)
Share premium	1,143,847	74,555,947	1,143,847	74,258,547
Total	129,045	8,411,155	82,280	5,341,616



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	234,394	15,277,801	197,846	12,844,162
Inter Company - Payables	766,193	49,940,460	-	-
Total	1,000,587	65,218,261	197,846	12,844,162

12 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Interest accrued but not due	1,562	101,811	-	-
Others	538	35,067	-	-
Total	2,100	136,878	-	-

13 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Deferred revenue and advance from customers	7,079	461,409	-	-
Other Employee dues	64,201	4,184,621	50,793	3,297,482
Other Statutory dues	272,202	17,742,126	-	-
Total	343,482	22,388,156	50,793	3,297,482

14 Current liabilities - provisions

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Leave entitlement	52,908	3,448,543	27,611	1,792,506
Total	52,908	3,448,543	27,611	1,792,506

15 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	4,071,339	265,369,876	979,179	63,568,301
Total	4,071,339	265,369,876	979,179	63,568,301



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

16 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest on loan to subsidiaries	41,835	2,726,805	14,786	959,907
Exchange gain -Net	67,621	4,407,537	-	-
Miscellaneous income	-	-	77,142	5,008,059
Total	109,456	7,134,342	91,928	5,967,966

17 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	3,220,263	209,896,742	155,240	10,078,181
Total	3,220,263	209,896,742	155,240	10,078,181

18 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	409,642	26,700,466	266,108	17,275,731
Staff welfare expenses	545	35,523	-	-
Total	410,187	26,735,989	266,108	17,275,731

19 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Auditors remuneration	48,400	3,154,712	48,400	3,142,128
Communication expenses	3,058	199,320	1,699	110,299
Electricity	721	46,995	-	-
Exchange loss -Net	-	-	37,437	2,430,410
Insurance expenses	2,328	151,739	1,409	91,472
Legal and professional fees	64,891	4,229,595	299,610	19,450,681
Miscellaneous expenses	6,907	450,198	3,113	202,099
Provision for doubtful debts	2,688	175,204	3	195
Rates and Taxes	17,924	1,168,286	20,051	1,301,711
Repairs and Maintenance	278,579	18,157,779	114,141	7,410,034
- Plant & Machinery	17,696	1,153,425	782	50,767
Services rendered by agencies	11,786	768,211	15,406	1,000,158
Travelling and conveyance expenses	-	-	-	-
Total	454,978	29,655,464	542,051	35,189,954



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

20 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	8,291	540,407	3,474	225,532
Guarantee fees	65	4,237	170	11,036
Total	8,356	544,644	3,644	236,568



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Poland) SPZOO**, ("the subsidiary") registered in Poland as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vatwa V.V.
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
		USD	INR*	USD	INR*
(A) ASSETS					
(1) Non-current assets					
Property, plant and equipment	1	378,294	24,657,203	217,465	14,117,828
Capital work-in-progress		7,576	493,804	119,822	7,778,844
Financial assets					
(i) Loans	2	344,269	22,439,453	224,235	14,557,336
(ii) Other financial assets	3	1,198	78,086	1,038	67,387
Deferred tax assets (Net)		25,146	1,639,016	32,596	2,116,132
Non current tax asset		26,901	1,753,407	117,782	7,646,407
Other non-current assets	4	7,503	489,046	1,224	79,462
		790,887	51,550,015	714,162	46,363,396
(2) Current assets					
Financial assets					
(i) Trade receivables	5	1,043,139	67,991,800	1,067,420	69,296,906
(ii) Cash and cash equivalent	6	127,669	8,321,465	160,835	10,441,408
(iii) Other financial assets	7	47,792	3,115,082	3,809	247,280
Other current assets	8	15,800	1,029,845	438,008	28,435,480
		1,234,400	80,458,192	1,670,072	108,421,074
TOTAL ASSETS		2,025,287	132,008,207	2,384,234	154,784,470
(B) EQUITY AND LIABILITIES					
(1) Equity					
Equity share capital	9	473,029	30,832,030	473,029	30,709,043
Other equity	10	(33,200)	(2,163,976)	336,802	21,865,183
Total Equity		439,829	28,668,054	809,831	52,574,226
(2) Current liabilities					
Financial liabilities					
(i) Trade payables	11	1,364,679	88,949,777	1,389,517	90,207,444
(ii) Other financial liabilities	12	99,898	6,511,352	30,563	1,984,150
Other current liabilities	13	100,165	6,528,755	133,492	8,666,301
Provisions	14	20,716	1,350,269	20,831	1,352,349
		1,585,458	103,340,153	1,574,403	102,210,244
TOTAL EQUITY AND LIABILITIES		2,025,287	132,008,207	2,384,234	154,784,470

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	15	9,925,179	646,923,167	9,049,979	587,524,637
ii	Other Income	16	73,425	4,785,842	114,914	7,460,217
iii	Total income (i + ii)		9,998,604	651,709,009	9,164,893	594,984,854
iv	Expenses:					
	Network and transmission expenses	17	8,746,582	570,102,215	8,024,002	520,918,210
	Employee benefits expenses	18	624,580	40,710,125	645,678	41,917,416
	Operating and other expenses	19	461,799	30,100,058	394,787	25,629,574
	Finance costs	20	1,123	73,197	7,691	499,300
	Depreciation and amortisation expenses		80,192	5,226,915	53,118	3,448,421
	Total expenses		9,914,276	646,212,510	9,125,276	592,412,921
v	Profit before taxes (iii - iv)		84,328	5,496,499	39,617	2,571,933
vi	Tax expenses					
	(i) Current tax expense/(benefit)		446,880	29,127,638	171,000	11,101,320
	(ii) Deferred tax expense/(benefit)		7,450	485,591	8,110	526,501
	Net tax expenses		454,330	29,613,229	179,110	11,627,821
vii	(Loss) / profit for the year (v-vi)		(370,002)	(24,116,730)	(139,493)	(9,055,888)

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	1,485,761	96,841,902	1,262,940	81,990,065
Computers	1,899	123,777	1,899	123,283
(a)	1,487,660	96,965,679	1,264,839	82,113,348
Accumulated depreciation:				
Plant and machinery	1,107,467	72,184,699	1,045,475	67,872,237
Computers	1,899	123,777	1,899	123,283
(b)	1,109,366	72,308,476	1,047,374	67,995,520
Net block (a) - (b)	378,294	24,657,203	217,465	14,117,828

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans given	344,269	22,439,453	224,235	14,557,336
Total	344,269	22,439,453	224,235	14,557,336

3 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Vendor deposits	1,198	78,086	1,038	67,387
Total	1,198	78,086	1,038	67,387

4 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	7,503	489,046	1,224	79,462
Total	7,503	489,046	1,224	79,462

5 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	1,048,185	68,320,698	1,131,985	73,488,466
Provision for doubtful debts	(5,046)	(328,898)	(64,565)	(4,191,560)
Total	1,043,139	67,991,800	1,067,420	69,296,906



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

6 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	127,669	8,321,465	160,835	10,441,408
Total	127,669	8,321,465	160,835	10,441,408

7 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Advances to employees	20,250	1,319,895	2,698	175,154
Interest Receivable	27,186	1,771,983	1,111	72,126
Others	356	23,204	-	-
Total	47,792	3,115,082	3,809	247,280

8 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	15,775	1,028,215	7,141	463,594
Indirect tax receivable	-	-	430,867	27,971,886
Others	25	1,630	-	-
Total	15,800	1,029,845	438,008	28,435,480

9 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	473,029	30,832,030	473,029	30,709,043
Total	473,029	30,832,030	473,029	30,709,043

10 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	336,802	21,952,754	476,295	30,921,071
Profit / (loss) for the year	(370,002)	(24,116,730)	(139,493)	(9,055,888)
Closing balance	(33,200)	(2,163,976)	336,802	21,865,183



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	1,140,884	74,362,819	619,011	40,186,194
Inter Company - Payables	223,795	14,586,958	770,506	50,021,250
Total	1,364,679	88,949,777	1,389,517	90,207,444

12 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Deposit from customers and contractors	34,927	2,276,542	30,296	1,966,816
Others	64,971	4,234,810	267	17,334
Total	99,898	6,511,352	30,563	1,984,150

13 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Other Employee dues	79,375	5,173,663	133,492	8,666,301
Other Statutory dues	20,790	1,355,092	-	-
Total	100,165	6,528,755	133,492	8,666,301

14 Current liabilities - provisions

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Leave entitlement	20,716	1,350,269	20,831	1,352,349
Total	20,716	1,350,269	20,831	1,352,349

15 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	9,925,179	646,923,167	9,049,979	587,524,637
Total	9,925,179	646,923,167	9,049,979	587,524,637



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

16 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest on loan to subsidiaries	41,387	2,697,605	3,900	253,188
Miscellaneous income	32,038	2,088,237	111,014	7,207,029
Total	73,425	4,785,842	114,914	7,460,217

17 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	8,746,582	570,102,215	8,024,002	520,918,210
Total	8,746,582	570,102,215	8,024,002	520,918,210

18 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	611,776	39,875,560	638,230	41,433,892
Staff welfare expenses	12,804	834,565	7,448	483,524
Total	624,580	40,710,125	645,678	41,917,416

19 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Advertising and publicity	-	-	3,432	222,805
Auditors remuneration	15,000	977,700	15,000	973,800
Communication expenses	11,192	729,495	12,064	783,195
Electricity	2,438	158,909	876	56,870
Entertainment expenses	7,371	480,442	6,998	454,310
Exchange loss -Net	43,056	2,806,390	47,642	3,092,919
Insurance expenses	2,530	164,905	2,387	154,964
IT consumables	4,521	294,679	107	6,946
Legal and professional fees	154,716	10,084,389	134,760	8,748,619
Miscellaneous expenses	9,758	636,023	8,223	533,840
Printing and stationery	7,505	489,176	2,507	162,754
Provision for doubtful debts	(59,519)	(3,879,448)	-	-
Rates and Taxes	1,234	80,432	453	29,409
Recruitment expenses	-	-	3,650	236,958
Rent	14,945	974,115	13,379	868,565
Repairs and Maintenance	62,565	4,077,987	18,784	1,219,457
- Plant & Machinery	-	-	-	-
Repairs and Maintenance -Building	1,660	108,199	1,484	96,341
Security charges	281	18,316	368	23,891
Seminars, trainings and conferences	5,473	356,730	3,199	207,679
Services rendered by agencies	29,866	1,946,666	51,882	3,368,179
Bad debts written off	59,532	3,880,296	-	-
Travelling and conveyance expenses	87,675	5,714,657	67,592	4,388,073
Total	461,799	30,100,058	394,787	25,629,574



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

20 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	1,123	73,197	6,498	421,850
Guarantee fees	-	-	1,193	77,450
Total	1,123	73,197	7,691	499,300



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ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Portugal) Instalacao De Redes LDA** ("the subsidiary") registered in Portugal as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar Varma
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: '07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
		USD	INR*	USD	INR*
(A) ASSETS					
(1) Non-current assets					
Property, plant and equipment	1	5,861,671	382,063,716	6,456,344	419,145,852
Capital work-in-progress		6,483	422,562	66,113	4,292,056
Deferred tax assets (Net)		24,094	1,570,447	222,908	14,471,187
Non current tax asset		89,563	5,837,716	162,400	10,543,008
Other non-current assets	2	607	39,564	-	-
		5,982,418	389,934,005	6,907,765	448,452,103
(2) Current assets					
Financial assets					
(i) Trade receivables	3	951,761	62,035,782	1,446,950	93,935,994
(ii) Cash and cash equivalent	4	73,490	4,790,078	663,286	43,060,527
(iii) Other financial assets	5	956	62,312	169	10,971
Other current assets	6	1,181,190	76,989,964	902,628	58,598,610
		2,207,397	143,878,136	3,013,033	195,606,102
TOTAL ASSETS		8,189,815	533,812,141	9,920,798	644,058,205
(B) EQUITY AND LIABILITIES					
(1) Equity					
Equity share capital	7	60,714,551	3,957,374,434	60,714,551	3,941,588,651
Other equity	8	(61,541,872)	(4,011,299,218)	(61,888,596)	(4,017,807,654)
Total Equity		(827,321)	(53,924,784)	(1,174,045)	(76,219,003)
(2) Non-current liabilities					
Financial liabilities					
Provisions	9	485,240	31,627,943	461,580	29,965,774
Other non current liabilities (Deferred revenue)		5,091,876	331,888,478	5,374,558	348,916,305
		5,577,116	363,516,421	5,836,138	378,882,079
(3) Current liabilities					
Financial liabilities					
(i) Borrowings	10	1,777,222	115,839,330	3,718,771	241,422,613
(ii) Trade payables	11	712,275	46,426,085	592,273	38,450,364
(iii) Other financial liabilities	12	174,571	11,378,538	204,159	13,254,002
Other current liabilities	13	759,432	49,499,777	729,474	47,357,452
Provisions	14	16,520	1,076,774	14,028	910,698
		3,440,020	224,220,504	5,258,705	341,395,129
TOTAL EQUITY AND LIABILITIES		8,189,815	533,812,141	9,920,798	644,058,205

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	15	5,047,751	329,012,410	4,961,671	322,111,681
ii	Other Income	16	-	-	103,761	6,736,164
iii	Total income (i + ii)		5,047,751	329,012,410	5,065,432	328,847,845
iv	Expenses:					
	Network and transmission expenses	17	384,926	25,089,477	1,367,248	88,761,740
	Employee benefits expenses	18	611,072	39,829,673	534,491	34,699,155
	Operating and other expenses	19	2,133,475	139,059,901	1,371,391	89,030,705
	Finance costs	20	180,651	11,774,832	177,704	11,536,544
	Depreciation and amortisation expenses		1,071,887	69,865,595	1,029,892	66,860,589
	Total expenses		4,382,011	285,619,478	4,480,726	290,888,733
v	Profit before taxes (iii- iv)		665,740	43,392,932	584,706	37,959,112
vi	Tax expenses					
	(i) Current tax expense/(benefit)		120,202	7,834,766	40,504	2,629,520
	(ii) Deferred tax expense/(benefit)		198,814	12,958,697	175,747	11,409,495
	Net tax expenses		319,016	20,793,463	216,251	14,039,015
vii	Profit / (loss) for the year (vii-viii)		346,724	22,599,469	368,455	23,920,097

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Land	65,449	4,265,966	65,449	4,248,949
Building	132,958	8,666,202	98,610	6,401,761
Cables	4,900,572	319,419,283	4,690,007	304,475,254
Plant and machinery	10,661,386	694,909,139	10,453,898	678,667,058
Furniture and fixtures	15,671	1,021,436	10,876	706,070
Computers	31,127	2,028,858	31,127	2,020,765
Office equipment	140,587	9,163,461	140,587	9,126,908
(a)	15,947,750	1,039,474,345	15,490,554	1,005,646,765
Accumulated depreciation:				
Land	-	-	-	-
Building	61,756	4,025,256	48,428	3,143,946
Cables	2,769,899	180,542,017	2,448,303	158,943,831
Plant and machinery	7,180,884	468,050,019	6,481,292	420,765,477
Furniture and fixtures	7,456	485,982	5,957	386,728
Computers	31,127	2,028,858	30,835	2,001,808
Office equipment	34,957	2,278,497	19,395	1,259,123
(b)	10,086,079	657,410,629	9,034,210	586,500,913
Net block (a) - (b)	5,861,671	382,063,716	6,456,344	419,145,852

2 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	607	39,564	-	-
Total	607	39,564	-	-

3 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	1,467,970	95,682,285	1,619,212	105,119,243
Intercompany receivables	148,786	9,697,871	-	-
Provision for doubtful debts	(664,995)	(43,344,374)	(172,262)	(11,183,249)
Total	951,761	62,035,782	1,446,950	93,935,994



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	73,490	4,790,078	663,286	43,060,527
Total	73,490	4,790,078	663,286	43,060,527

5 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Advances to employees	956	62,312	-	-
Others	-	-	169	10,971
Total	956	62,312	169	10,971

6 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	27,069	1,764,357	6,286	408,087
Indirect tax receivable	1,154,121	75,225,607	896,342	58,190,523
Total	1,181,190	76,989,964	902,628	58,598,610

7 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	60,714,551	3,957,374,434	60,714,551	3,941,588,651
Total	60,714,551	3,957,374,434	60,714,551	3,941,588,651

8 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(61,888,596)	(4,033,898,687)	(62,257,051)	(4,041,727,751)
Profit / (loss) for the year	346,724	22,599,469	368,455	23,920,097
Closing balance	(61,541,872)	(4,011,299,218)	(61,888,596)	(4,017,807,654)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

9 Non-current liabilities - provisions

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Asset retirement obligation and others	485,240	31,627,943	461,580	29,965,774
Total	485,240	31,627,943	461,580	29,965,774

10 Current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans taken	1,777,222	115,839,330	3,718,771	241,422,613
Total	1,777,222	115,839,330	3,718,771	241,422,613

11 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	712,275	46,426,085	569,381	36,964,215
Inter Company - Payables	-	-	22,892	1,486,149
Total	712,275	46,426,085	592,273	38,450,364

12 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Deposit from customers and contractors	115,118	7,503,391	137,696	8,939,224
Interest accrued but not due	55,749	3,633,720	66,463	4,314,778
Others	3,704	241,427	-	-
Total	174,571	11,378,538	204,159	13,254,002

13 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Deferred revenue and advance from customers	716,963	46,731,648	695,344	45,141,732
Other Employee dues	42,469	2,768,129	34,130	2,215,720
Total	759,432	49,499,777	729,474	47,357,452



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

14 Current liabilities - provisions

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Leave entitlement	16,520	1,076,774	14,028	910,698
Total	16,520	1,076,774	14,028	910,698

15 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	5,047,751	329,012,410	4,961,671	322,111,681
Total	5,047,751	329,012,410	4,961,671	322,111,681

16 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Exchange gain -Net	-	-	103,761	6,736,164
Total	-	-	103,761	6,736,164

17 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	384,926	25,089,477	1,367,248	88,761,740
Total	384,926	25,089,477	1,367,248	88,761,740

18 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	593,523	38,685,829	516,969	33,561,627
Staff welfare expenses	17,549	1,143,844	17,522	1,137,528
Total	611,072	39,829,673	534,491	34,699,155



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

19 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Auditors remuneration	32,500	2,118,350	32,500	2,109,900
Communication expenses	14,831	966,685	13,418	871,097
Electricity	350,226	22,827,731	309,712	20,106,503
Exchange loss -Net	289,798	18,889,034	-	-
Insurance expenses	10,095	657,992	17,804	1,155,836
Legal and professional fees	139,666	9,103,430	74,579	4,841,669
Miscellaneous expenses	43,249	2,818,969	141,488	9,185,401
Printing and stationery	2,288	149,132	4,477	290,647
Provision for doubtful debts	492,733	32,116,337	94,660	6,145,327
Rates and Taxes	61,057	3,979,695	23,518	1,526,789
Rent	226,790	14,782,172	208,779	13,553,933
Repairs and Maintenance	414,866	27,040,966	397,328	25,794,534
- Plant & Machinery				
Repairs and Maintenance -Building	10,515	685,368	17,483	1,134,996
Seminars, trainings and conferences	40	2,607	69	4,479
Services rendered by agencies	13,612	887,230	13,671	887,521
Travelling and conveyance expenses	31,209	2,034,203	21,905	1,422,073
Total	2,133,475	139,059,901	1,371,391	89,030,705

20 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	166,839	10,874,566	169,562	11,007,965
Guarantee fees	13,812	900,266	8,142	528,579
Total	180,651	11,774,832	177,704	11,536,544



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ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Portugal) Unipessoal LDA** ("the subsidiary") registered in Portugal as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010


(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place: Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
			USD	INR*	USD	INR*
(A)	ASSETS					
(1)	Non-current assets					
	Investments in subsidiaries & associates	1	956,205	62,325,442	956,205	62,076,829
	Financial assets					
	(i) Loans	2	483,749	31,530,760	404,314	26,248,065
	Non current tax asset		12,303	801,910	15,050	977,046
			1,452,257	94,658,112	1,375,569	89,301,940
(2)	Current assets					
	Financial assets					
	(i) Cash and cash equivalent	3	15,844	1,032,712	21,390	1,388,639
	(ii) Other financial assets	4	10,001	651,865	6,837	443,858
	Other current assets	5	148	9,647	128	8,310
			25,993	1,694,224	28,355	1,840,807
	TOTAL ASSETS		1,478,250	96,352,336	1,403,924	91,142,747
(B)	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity share capital	6	1,393,444	90,824,680	1,393,444	90,462,384
	Other equity	7	82,056	5,348,411	4,980	323,303
	Total Equity		1,475,500	96,173,091	1,398,424	90,785,687
(2)	Current liabilities					
	Financial liabilities					
	(i) Trade payables	8	2,750	179,245	5,500	357,060
			2,750	179,245	5,500	357,060
	TOTAL EQUITY AND LIABILITIES		1,478,250	96,352,336	1,403,924	91,142,747

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Other Income	9	85,573	5,577,648	13,992	908,361
ii	Total income		85,573	5,577,648	13,992	908,361
iii	Expenses:					
	Operating and other expenses	10	3,842	250,420	31,660	2,055,366
	Total expenses		3,842	250,420	31,660	2,055,366
iv	Profit before taxes (ii - iii)		81,731	5,327,228	(17,668)	(1,147,005)
v	Tax expenses					
	(i) Current tax expense/(benefit)		4,655	303,413	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		4,655	303,413	-	-
vi	Profit / (loss) for the year (iv-v)		77,076	5,023,815	(17,668)	(1,147,005)

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Investments in subsidiaries & associates

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Investments in subsidiaries	956,205	62,325,442	956,205	62,076,829
Total	956,205	62,325,442	956,205	62,076,829

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans given	483,749	31,530,760	404,314	26,248,065
Total	483,749	31,530,760	404,314	26,248,065

3 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	15,844	1,032,712	21,390	1,388,639
Total	15,844	1,032,712	21,390	1,388,639

4 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Interest Receivable	10,001	651,865	6,837	443,858
Total	10,001	651,865	6,837	443,858

5 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Indirect tax receivable	148	9,647	128	8,310
Total	148	9,647	128	8,310

6 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	1,393,444	90,824,680	1,393,444	90,462,384
Total	1,393,444	90,824,680	1,393,444	90,462,384



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

7 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	4,980	324,596	22,648	1,470,308
Profit / (loss) for the year	77,076	5,023,815	(17,668)	(1,147,005)
Closing balance	82,056	5,348,411	4,980	323,303
Total	82,056	5,348,411	4,980	323,303

8 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	2,750	179,245	2,750	178,530
Inter Company - Payables	-	-	2,750	178,530
Total	2,750	179,245	5,500	357,060

9 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest on loan to subsidiaries	19,529	1,272,900	13,992	908,361
Exchange gain -Net	66,044	4,304,748	-	-
Total	85,573	5,577,648	13,992	908,361

10 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Exchange loss -Net	-	-	27,564	1,789,455
Legal and professional fees	2,750	179,245	3,323	215,729
Miscellaneous expenses	998	65,048	686	44,534
Rates and Taxes	94	6,127	87	5,648
Total	3,842	250,420	31,660	2,055,366



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LLP Identity No, AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Russia) LLC** ("the subsidiary") registered in Russia as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar V
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
		USD	INR*	USD	INR*
(A) ASSETS					
(1) Non-current assets					
Property, plant and equipment	1	73,687	4,802,918	78,700	5,109,204
Capital work-in-progress		128,666	8,386,450	14,134	917,579
Deferred tax assets (Net)		309,906	20,199,673	147,717	9,589,788
Other non-current assets	2	2,255	146,981	-	-
		514,514	33,536,022	240,551	15,616,571
(2) Current assets					
Financial assets					
(i) Trade receivables	3	3,632,718	236,780,560	3,629,503	235,627,335
(ii) Cash and cash equivalent	4	204,423	13,324,291	192,919	12,524,301
(iii) Other financial assets	5	42,436	2,765,979	47,436	3,079,545
Other current assets	6	408,776	26,644,019	328,367	21,317,586
		4,288,353	279,514,849	4,198,225	272,548,767
TOTAL ASSETS		4,802,867	313,050,871	4,438,776	288,165,338
(B) EQUITY AND LIABILITIES					
(1) Equity					
Equity share capital	7	87,254	5,687,216	87,254	5,664,530
Other equity	8	3,761,123	245,149,997	3,716,122	241,250,639
Total Equity		3,848,377	250,837,213	3,803,376	246,915,169
(2) Current liabilities					
Financial liabilities					
(i) Trade payables	9	729,635	47,557,609	382,580	24,837,094
(ii) Other financial liabilities	10	39,485	2,573,632	44,678	2,900,496
Other current liabilities	11	95,886	6,249,849	64,190	4,167,215
Provisions	12	28,842	1,879,922	83,310	5,408,485
Current tax liabilities (Net)		60,642	3,952,646	60,642	3,936,879
		954,490	62,213,658	635,400	41,250,169
TOTAL EQUITY AND LIABILITIES		4,802,867	313,050,871	4,438,776	288,165,338

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	13	1,605,048	104,617,029	1,416,402	91,952,818
ii	Total income		1,605,048	104,617,029	1,416,402	91,952,818
iii	Expenses:					
	Network and transmission expenses	14	405,554	26,434,010	383,044	24,867,216
	Employee benefits expenses	15	393,712	25,662,148	402,435	26,126,080
	Operating and other expenses	16	783,684	51,080,523	1,002,036	65,052,179
	Depreciation and amortisation expenses		(19,152)	(1,248,327)	29,913	1,941,952
	Total expenses		1,563,798	101,928,354	1,817,428	117,987,427
iv	Profit before exceptional items and taxes (ii - iii)		41,250	2,688,675	(401,026)	(26,034,609)
v	Exceptional items:					
	Staff cost optimisation		(158,438)	(10,326,989)	-	-
vi	(Loss) / profit before taxes (iv + v)		(117,188)	(7,638,314)	(401,026)	(26,034,609)
vii	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		(162,189)	(10,571,479)	(150,599)	(9,776,887)
	Net tax expenses		(162,189)	(10,571,479)	(150,599)	(9,776,887)
viii	Profit / (loss) for the year (vi-vii)		45,001	2,933,165	(250,427)	(16,257,722)

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	960,691	62,617,839	984,857	63,936,916
Computers	3,538	230,607	3,538	229,687
(a)	964,229	62,848,446	988,395	64,166,603
Accumulated depreciation:				
Plant and machinery	887,004	57,814,921	906,157	58,827,712
Computers	3,538	230,607	3,538	229,687
(b)	890,542	58,045,528	909,695	59,057,399
Net block (a) - (b)	73,687	4,802,918	78,700	5,109,204

2 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	2,255	146,981	-	-
Total	2,255	146,981	-	-

3 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	14,687	957,299	20,349	1,321,057
Intercompany receivables	3,618,031	235,823,261	3,609,154	234,306,278
Total	3,632,718	236,780,560	3,629,503	235,627,335

4 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	204,423	13,324,291	192,919	12,524,301
Total	204,423	13,324,291	192,919	12,524,301



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Security Deposit	20,000	1,303,600	20,000	1,298,400
Advances to employees	538	35,067	-	-
Others	21,898	1,427,312	27,436	1,781,145
Total	42,436	2,765,979	47,436	3,079,545

6 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	14,630	953,583	14,113	916,216
Indirect tax receivable	394,146	25,690,436	314,254	20,401,370
Total	408,776	26,644,019	328,367	21,317,586

7 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	87,254	5,687,216	87,254	5,664,530
Total	87,254	5,687,216	87,254	5,664,530

8 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	3,716,122	242,216,832	3,966,549	257,508,361
Profit / (loss) for the year	45,001	2,933,165	(250,427)	(16,257,722)
Closing balance	3,761,123	245,149,997	3,716,122	241,250,639

9 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	729,635	47,557,609	382,580	24,837,094
Total	729,635	47,557,609	382,580	24,837,094



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

10 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Others	39,485	2,573,632	44,678	2,900,496
Total	39,485	2,573,632	44,678	2,900,496

11 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Other Employee dues	95,886	6,249,849	64,190	4,167,215
Total	95,886	6,249,849	64,190	4,167,215

12 Current liabilities - provisions

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Leave entitlement	28,842	1,879,922	83,310	5,408,485
Total	28,842	1,879,922	83,310	5,408,485

13 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	1,605,048	104,617,029	1,416,402	91,952,818
Total	1,605,048	104,617,029	1,416,402	91,952,818

14 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	405,554	26,434,010	383,044	24,867,216
Total	405,554	26,434,010	383,044	24,867,216



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

15 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	393,035	25,618,021	402,412	26,124,587
Staff welfare expenses	677	44,127	23	1,493
Total	393,712	25,662,148	402,435	26,126,080

16 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Advertising and publicity	451	29,396	10,626	689,840
Auditors remuneration	35,000	2,281,300	112,500	7,303,500
Communication expenses	8,760	570,977	19,680	1,277,626
Donations	1,412	92,034	4,213	273,508
Entertainment expenses	5,070	330,463	6,793	441,002
Exchange loss -Net	79,964	5,212,054	27,515	1,786,274
Insurance expenses	11,471	747,680	10,729	696,527
IT consumables	56	3,650	382	24,799
Legal and professional fees	182,482	11,894,177	88,534	5,747,627
Miscellaneous expenses	157,371	10,257,441	427,268	27,738,239
Printing and stationery	11,819	770,362	9,575	621,609
Rates and Taxes	120,654	7,864,228	101,702	6,602,494
Rent	144,885	9,443,604	162,326	10,538,204
Repairs and Maintenance	18,084	1,178,715	7,855	509,947
- Plant & Machinery				
Repairs and Maintenance -Building	-	-	222	14,412
Services rendered by agencies	402	26,202	423	27,461
Travelling and conveyance expenses	5,803	378,240	11,693	759,110
Total	783,684	51,080,523	1,002,036	65,052,179



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Spain) SL** ("the subsidiary") registered in Spain as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vatwani
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 May 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
		USD	INR*	USD	INR*
(A) ASSETS					
(1) Non-current assets					
Property, plant and equipment	1	6,290,903	410,041,057	6,532,887	424,115,024
Capital work-in-progress		74,564	4,860,082	54,831	3,559,629
Other intangible assets	2	-	-	-	-
Financial assets					
(i) Loans	3	6,254,636	407,677,174	6,025,781	391,193,703
(ii) Other financial assets	4	201,080	13,106,394	171,658	11,144,037
Non current tax asset		46,523	3,032,369	221,056	14,350,956
Other non-current assets	5	21,277	1,386,835	4,332	281,233
		12,888,983	840,103,911	13,010,545	844,644,582
(2) Current assets					
Financial assets					
(i) Trade receivables	6	5,549,881	361,741,244	2,866,750	186,109,410
(ii) Cash and cash equivalent	7	61,092	3,981,977	290,979	18,890,357
(iii) Other financial assets	8	56,094	3,656,207	9,165	594,992
Other current assets	9	1,669,367	108,809,340	984,234	63,896,472
		7,336,434	478,188,768	4,151,128	269,491,231
TOTAL ASSETS		20,225,417	1,318,292,679	17,161,673	1,114,135,813
(B) EQUITY AND LIABILITIES					
(1) Equity					
Equity share capital	10	537,610	35,041,420	537,610	34,901,641
Other equity	11	13,395,807	873,138,698	11,868,025	770,472,186
Total Equity		13,933,417	908,180,118	12,405,635	805,373,827
(2) Non-current liabilities					
Provisions	12	661,618	43,124,261	458,872	29,789,970
Other non current liabilities (Deferred revenue)		212,559	13,854,596	65,822	4,273,164
		874,177	56,978,857	524,694	34,063,134
(3) Current liabilities					
Financial liabilities					
(i) Trade payables	13	4,670,918	304,450,435	3,839,596	249,266,572
(ii) Other financial liabilities	14	49,883	3,251,374	39,295	2,551,031
Other current liabilities	15	638,521	41,618,800	309,532	20,094,818
Provisions	16	58,501	3,813,095	42,921	2,786,431
		5,417,823	353,133,704	4,231,344	274,698,852
TOTAL EQUITY AND LIABILITIES		20,225,417	1,318,292,679	17,161,673	1,114,135,813

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	17	22,833,959	1,488,317,448	19,808,461	1,285,965,288
ii	Other Income	18	881,327	57,444,893	1,773,434	115,131,335
iii	Total income (i + ii)		23,715,286	1,545,762,341	21,581,895	1,401,096,623
iv	Expenses:					
	Network and transmission expenses	19	15,844,773	1,032,762,304	15,094,531	979,936,953
	Employee benefits expenses	20	2,628,096	171,299,297	2,156,727	140,014,716
	Operating and other expenses	21	1,925,704	125,517,389	1,428,503	92,738,412
	Finance costs	22	51,427	3,352,012	481,017	31,227,624
	Depreciation and amortisation expenses		1,498,017	97,640,748	1,472,197	95,575,029
	Total expenses		21,948,017	1,430,571,750	20,632,975	1,339,492,734
v	Profit before exceptional items and taxes (iii - iv)		1,767,269	115,190,591	948,920	61,603,889
vi	Exceptional items:					
	Staff cost optimisation		(204,795)	(13,348,538)	-	-
vii	Profit before taxes (v + vi)		1,562,474	101,842,053	948,920	61,603,889
viii	Tax expenses					
	(i) Current tax expense/(benefit)		34,692	2,261,225	16,082	1,044,043
	(ii) Deferred tax expense/(benefit)		-	-	48,290	3,134,987
	Net tax expenses		34,692	2,261,225	64,372	4,179,030
ix	Profit / (loss) for the year (vii - viii)		1,527,782	99,580,828	884,548	57,424,859

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	17	22,833,959	1,488,317,448	19,808,461	1,285,965,288
ii	Other Income	18	881,327	57,444,893	1,773,434	115,131,335
iii	Total income (i + ii)		23,715,286	1,545,762,341	21,581,895	1,401,096,623
iv	Expenses:					
	Network and transmission expenses	19	15,844,773	1,032,762,304	15,094,531	979,936,953
	Employee benefits expenses	20	2,628,096	171,299,297	2,156,727	140,014,716
	Operating and other expenses	21	1,925,704	125,517,389	1,428,503	92,738,412
	Finance costs	22	51,427	3,352,012	481,017	31,227,624
	Depreciation and amortisation expenses		1,498,017	97,640,748	1,472,197	95,575,029
	Total expenses		21,948,017	1,430,571,750	20,632,975	1,339,492,734
v	Profit before exceptional items and taxes (iii - iv)		1,767,269	115,190,591	948,920	61,603,889
vi	Exceptional items:					
	Staff cost optimisation		(204,795)	(13,348,538)	-	-
vii	Profit before taxes (v + vi)		1,562,474	101,842,053	948,920	61,603,889
viii	Tax expenses					
	(i) Current tax expense/(benefit)		34,692	2,261,225	16,082	1,044,043
	(ii) Deferred tax expense/(benefit)		-	-	48,290	3,134,987
	Net tax expenses		34,692	2,261,225	64,372	4,179,030
ix	Profit / (loss) for the year (vii - viii)		1,527,782	99,580,828	884,548	57,424,859

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Land	115,191	7,508,149	115,191	7,478,200
Building	420,918	27,435,435	420,918	27,325,997
Lease hold improvement	355,725	23,186,156	176,979	11,489,477
Cables	8,358,726	544,821,761	7,705,760	500,257,939
Plant and machinery	13,020,999	848,708,715	12,735,922	826,816,056
Furniture and fixtures	47,605	3,102,894	43,077	2,796,559
Computers	42,489	2,769,433	37,482	2,433,331
Office equipment	145,223	9,465,635	119,820	7,778,714
(a)	22,506,876	1,466,998,178	21,355,149	1,386,376,273
Accumulated depreciation:				
Land	-	-	-	-
Building	208,860	13,613,495	192,210	12,478,273
Lease hold improvement	182,660	11,905,779	153,436	9,961,065
Cables	5,407,149	352,437,972	4,859,416	315,473,287
Plant and machinery	10,292,105	670,839,404	9,509,986	617,388,291
Furniture and fixtures	31,285	2,039,156	27,528	1,787,118
Computers	39,055	2,545,605	37,482	2,433,331
Office equipment	54,859	3,575,710	42,204	2,739,884
(b)	16,215,973	1,056,957,121	14,822,262	962,261,249
Net block (a) - (b)	6,290,903	410,041,057	6,532,887	424,115,024

2 Other intangible assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Computer software	25,650	1,671,867	25,650	1,665,198
(a)	25,650	1,671,867	25,650	1,665,198
Accumulated amortisation:				
Computer software	25,650	1,671,867	25,650	1,665,198
(b)	25,650	1,671,867	25,650	1,665,198
Net block (a) - (b)	-	-	-	-

3 Non-current assets - financial assets - loans

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans given	6,254,636	407,677,174	6,025,781	391,193,703
Total	6,254,636	407,677,174	6,025,781	391,193,703



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Vendor deposits	201,080	13,106,394	171,658	11,144,037
Total	201,080	13,106,394	171,658	11,144,037

5 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	21,277	1,386,835	4,332	281,233
Total	21,277	1,386,835	4,332	281,233

6 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	2,741,579	178,696,119	1,915,000	124,321,800
Intercompany receivables	2,854,138	186,032,715	1,116,001	72,450,785
Provision for doubtful debts	(45,836)	(2,987,590)	(164,251)	(10,663,175)
Total	5,549,881	361,741,244	2,866,750	186,109,410

7 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	61,092	3,981,977	290,979	18,890,357
Total	61,092	3,981,977	290,979	18,890,357

8 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Advances to employees	8,544	556,898	6,742	437,691
Interest Receivable	45,432	2,961,258	2,423	157,301
Others	2,118	138,051	-	-
Total	56,094	3,656,207	9,165	594,992



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

9 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	69,367	4,521,341	61,415	3,987,062
Other Advances	8	521	8	519
Prepaid expenses	193,990	12,644,268	146,918	9,537,917
Indirect tax receivable	1,406,002	91,643,210	775,893	50,370,974
Total	1,669,367	108,809,340	984,234	63,896,472

10 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	537,610	35,041,420	537,610	34,901,641
Total	537,610	35,041,420	537,610	34,901,641

11 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(6,266,763)	(408,467,612)	(7,151,311)	(464,263,110)
Profit / (loss) for the year	1,527,782	99,580,828	884,548	57,424,859
Closing balance	(4,738,981)	(308,886,784)	(6,266,763)	(406,838,251)
Share premium	18,134,788	1,182,025,482	18,134,788	1,177,310,437
Total	13,395,807	873,138,698	11,868,025	770,472,186

12 Non-current liabilities - provisions

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Asset retirement obligation and others	661,618	43,124,261	458,872	29,789,970
Total	661,618	43,124,261	458,872	29,789,970

13 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	4,670,918	304,450,435	3,839,596	249,266,572
Total	4,670,918	304,450,435	3,839,596	249,266,572



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

14 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Deposit from customers and contractors	14,769	962,643	11,746	762,550
Others	35,114	2,288,731	27,549	1,788,481
Total	49,883	3,251,374	39,295	2,551,031

15 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Deferred revenue and advance from customers	90,931	5,926,883	39,751	2,580,635
Other Employee dues	546,315	35,608,812	269,464	17,493,603
Others	1,275	83,105	317	20,580
Total	638,521	41,618,800	309,532	20,094,818

16 Current liabilities - provisions

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Leave entitlement	58,501	3,813,095	42,921	2,786,431
Total	58,501	3,813,095	42,921	2,786,431

17 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	22,833,959	1,488,317,448	19,808,461	1,285,965,288
Total	22,833,959	1,488,317,448	19,808,461	1,285,965,288

18 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest on loan to subsidiaries	250,530	16,329,545	63,516	4,123,459
Exchange gain -Net	51,697	3,369,610	1,205,046	78,231,586
Miscellaneous income	579,100	37,745,738	504,872	32,776,290
Total	881,327	57,444,893	1,773,434	115,131,335



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

19 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	15,844,773	1,032,762,304	15,094,531	979,936,953
Total	15,844,773	1,032,762,304	15,094,531	979,936,953

20 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	2,569,701	167,493,111	2,104,619	136,631,865
Staff welfare expenses	58,395	3,806,186	52,108	3,382,851
Total	2,628,096	171,299,297	2,156,727	140,014,716

21 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Advertising and publicity	205,763	13,411,632	48,554	3,152,126
Auditors remuneration	62,700	4,086,786	60,500	3,927,660
Communication expenses	44,341	2,890,146	35,111	2,279,406
Electricity	442,743	28,857,989	397,471	25,803,817
Insurance expenses	19,685	1,283,068	20,001	1,298,465
IT consumables	228	14,861	367	23,826
Legal and professional fees	87,698	5,716,156	65,330	4,241,224
Miscellaneous expenses	308,493	20,107,576	78,272	5,081,415
Printing and stationery	8,148	531,087	7,889	512,154
Provision for doubtful debts	(118,415)	(7,718,290)	2,335	151,588
Rates and Taxes	54,490	3,551,658	64,584	4,192,793
Recruitment expenses	-	-	14,453	938,289
Rent	105,422	6,871,406	100,897	6,550,233
Repairs and Maintenance	387,204	25,237,957	352,582	22,889,623
- Plant & Machinery				
Repairs and Maintenance -Building	24,912	1,623,764	22,778	1,478,748
Security charges	906	59,053	1,964	127,503
Seminars, trainings and conferences	13,381	872,174	6,948	451,064
Services rendered by agencies	48,202	3,141,806	33,641	2,183,974
Bad debts written off	128,783	8,394,076	-	-
Travelling and conveyance expenses	101,020	6,584,484	114,826	7,454,504
Total	1,925,704	125,517,389	1,428,503	92,738,412

22 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	51,320	3,345,038	434,699	28,220,659
Guarantee fees	107	6,974	46,318	3,006,965
Total	51,427	3,352,012	481,017	31,227,624



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ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Sweden) AB** ("the subsidiary") registered in Sweden as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar V.V.
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
		USD	INR*	USD	INR*
(A) ASSETS					
(1) Non-current assets					
Property, plant and equipment	1	313,696	20,446,706	247,000	16,035,241
Capital work-in-progress		19,648	1,280,657	-	-
Deferred tax assets (Net)		100,138	6,526,995	91,755	5,956,735
Non current tax asset		5,605	365,334	5,605	363,877
		439,087	28,619,692	344,360	22,355,853
(2) Current assets					
Financial assets					
(i) Trade receivables	2	451,907	29,455,298	286,887	18,624,704
(ii) Cash and cash equivalent	3	18,194	1,185,885	57,972	3,763,542
(iii) Other financial assets	4	1,125	73,328	2,925	189,891
Other current assets	5	4,144	270,106	84,280	5,471,458
		475,370	30,984,617	432,064	28,049,595
TOTAL ASSETS		914,457	59,604,309	776,424	50,405,448
(B) EQUITY AND LIABILITIES					
(1) Equity					
Equity share capital	6	364,779	23,776,295	364,779	23,681,453
Other equity	7	(83,569)	(5,447,026)	(98,328)	(6,383,452)
Total Equity		281,210	18,329,269	266,451	17,298,001
(2) Current liabilities					
Financial liabilities					
(i) Borrowings	8	116,594	7,599,597	311,438	20,218,555
(ii) Trade payables	9	485,345	31,634,787	192,645	12,506,513
(iii) Other financial liabilities	10	10,034	654,017	5,890	382,379
Other current liabilities	11	21,274	1,386,639	-	-
		633,247	41,275,040	509,973	33,107,447
TOTAL EQUITY AND LIABILITIES		914,457	59,604,309	776,424	50,405,448

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	12	1,441,603	93,963,684	958,808	62,245,815
ii	Other Income	13	1,124	73,262	5,938	385,495
iii	Total income (i + ii)		1,442,727	94,036,946	964,746	62,631,310
iv	Expenses:					
	Network and transmission expenses	14	636,436	41,482,898	356,538	23,146,447
	Operating and other expenses	15	713,356	46,496,543	537,544	34,897,354
	Finance costs	16	10,204	665,097	10,244	665,041
	Depreciation and amortisation expenses		76,355	4,976,819	61,083	3,965,508
	Total expenses		1,436,351	93,621,357	965,409	62,674,350
v	Profit before taxes (v - vi)		6,376	415,589	(663)	(43,040)
vi	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		(8,383)	(546,404)	9,599	623,167
	Net tax expenses		(8,383)	(546,404)	9,599	623,167
vii	Profit / (loss) for the year (vii-viii)		14,759	961,993	(10,262)	(666,207)

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	1,334,899	87,008,717	1,265,906	82,182,618
Office equipment	2,104	137,139	2,104	136,592
(a)	1,337,003	87,145,856	1,268,010	82,319,210
Accumulated depreciation:				
Plant and machinery	1,022,321	66,634,883	1,020,287	66,237,032
Office equipment	986	64,267	723	46,937
(b)	1,023,307	66,699,150	1,021,010	66,283,969
Net block (a) - (b)	313,696	20,446,706	247,000	16,035,241

2 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	297,785	19,409,626	73,785	4,790,122
Intercompany receivables	154,311	10,057,991	214,710	13,938,973
Provision for doubtful debts	(189)	(12,319)	(1,608)	(104,391)
Total	451,907	29,455,298	286,887	18,624,704

3 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	18,194	1,185,885	57,972	3,763,542
Total	18,194	1,185,885	57,972	3,763,542

4 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Interest Receivable	1,125	73,328	-	-
Others	-	-	2,925	189,891
Total	1,125	73,328	2,925	189,891



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	4,144	270,106	31,089	2,018,298
Indirect tax receivable	-	-	53,191	3,453,160
Total	4,144	270,106	84,280	5,471,458

6 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	364,779	23,776,295	364,779	23,681,453
Total	364,779	23,776,295	364,779	23,681,453

7 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(98,328)	(6,409,019)	(88,066)	(5,717,245)
Profit / (loss) for the year	14,759	961,993	(10,262)	(666,207)
Closing balance	(83,569)	(5,447,026)	(98,328)	(6,383,452)

8 Current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans taken	116,594	7,599,597	311,438	20,218,555
Total	116,594	7,599,597	311,438	20,218,555

9 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	485,345	31,634,787	192,645	12,506,513
Total	485,345	31,634,787	192,645	12,506,513



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

10 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Interest accrued but not due	1,914	124,755	5,890	382,379
Others	8,120	529,262	-	-
Total	10,034	654,017	5,890	382,379

11 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Other Statutory dues	21,274	1,386,639	-	-
Total	21,274	1,386,639	-	-

12 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	1,441,603	93,963,684	958,808	62,245,815
Total	1,441,603	93,963,684	958,808	62,245,815

13 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest on loan to subsidiaries	1,124	73,262	-	-
Exchange gain -Net	-	-	5,938	385,495
Total	1,124	73,262	5,938	385,495

14 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	636,436	41,482,898	356,538	23,146,447
Total	636,436	41,482,898	356,538	23,146,447



15 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Auditors remuneration	24,200	1,577,356	24,200	1,571,064
Communication expenses	370	24,117	686	44,535
Electricity	56,881	3,707,504	45,672	2,965,026
Exchange loss -Net	18,150	1,183,017	-	-
Insurance expenses	1,718	111,979	2,197	142,629
Legal and professional fees	32,271	2,103,424	36,515	2,370,554
Miscellaneous expenses	2,915	189,999	2,040	132,435
Provision for doubtful debts	(1,420)	(92,556)	-	-
Rent	543	35,393	-	-
Repairs and Maintenance	572,801	37,335,169	425,645	27,632,873
- Plant & Machinery				
Services rendered by agencies	3,261	212,552	589	38,238
Bad debts written off	1,608	104,809	-	-
Travelling and conveyance expenses	58	3,780	-	-
Total	713,356	46,496,543	537,544	34,897,354

16 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	9,273	604,414	9,581	621,999
Guarantee fees	931	60,683	663	43,042
Total	10,204	665,097	10,244	665,041



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Switzerland) GmbH** ("the subsidiary") registered in Switzerland as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar Varma

(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 May 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
		USD	INR*	USD	INR*
(A) ASSETS					
(1) Non-current assets					
Property, plant and equipment	1	340,085	22,166,740	274,645	17,829,954
Capital work-in-progress		38,431	2,504,933	18,595	1,207,187
Financial assets					
(i) Loans	2	77,014	5,019,773	383,054	24,867,866
(ii) Other financial assets	3	5,169	336,915	4,943	320,900
Deferred tax assets (Net)		11,230	731,971	18,051	1,171,871
Other non-current assets	4	4,740	308,953	-	-
		476,669	31,069,285	699,288	45,397,778
(2) Current assets					
Financial assets					
(i) Trade receivables	5	347,122	22,625,412	193,487	12,561,176
(ii) Cash and cash equivalent	6	-	-	186,040	12,077,717
(iii) Other financial assets	7	4,685	305,368	3,825	248,319
Other current assets	8	22,522	1,467,984	21,272	1,380,978
		374,329	24,398,764	404,624	26,268,190
TOTAL ASSETS		850,998	55,468,049	1,103,912	71,665,968
(B) EQUITY AND LIABILITIES					
(1) Equity					
Equity share capital	9	474,414	30,922,305	474,414	30,798,957
Other equity	10	645	42,041	(33,329)	(2,163,718)
Total Equity		475,059	30,964,346	441,085	28,635,239
(2) Current liabilities					
Financial liabilities					
(i) Borrowings	11	-	-	271,914	17,652,657
(ii) Trade payables	12	321,606	20,962,279	369,435	23,983,720
(iii) Other financial liabilities	13	15,064	981,871	10,000	649,200
Other current liabilities	14	27,791	1,811,417	-	-
Current tax liabilities (Net)		11,478	748,136	11,478	745,152
		375,939	24,503,703	662,827	43,030,729
TOTAL EQUITY AND LIABILITIES		850,998	55,468,049	1,103,912	71,665,968

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	15	1,887,009	122,995,247	927,081	60,186,099
ii	Other Income	16	13,491	879,343	23,593	1,531,658
iii	Total income (i + ii)		1,900,500	123,874,590	950,674	61,717,757
iv	Expenses:					
	Network and transmission expenses	17	1,570,427	102,360,432	623,827	40,498,849
	Operating and other expenses	18	204,864	13,353,036	240,072	15,585,475
	Finance costs	19	8,319	542,232	8,154	529,357
	Depreciation and amortisation expenses		76,095	4,959,872	61,175	3,971,481
	Total expenses		1,859,705	121,215,572	933,228	60,585,162
v	Profit before taxes (iii - iv)		40,795	2,659,018	17,446	1,132,595
vi	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		6,821	444,593	6,080	394,714
	Net tax expenses		6,821	444,593	6,080	394,714
vii	Profit / (loss) for the year (v-vi)		33,974	2,214,425	11,366	737,881

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	1,054,907	68,758,838	1,018,618	66,128,681
(a)	1,054,907	68,758,838	1,018,618	66,128,681
Accumulated depreciation:				
Plant and machinery	714,822	46,592,098	743,973	48,298,727
(b)	714,822	46,592,098	743,973	48,298,727
Net block (a) - (b)	340,085	22,166,740	274,645	17,829,954

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans given	77,014	5,019,773	383,054	24,867,866
Total	77,014	5,019,773	383,054	24,867,866

3 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Vendor deposits	5,169	336,915	4,943	320,900
Total	5,169	336,915	4,943	320,900

4 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	4,740	308,953	-	-
Total	4,740	308,953	-	-

5 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	299,460	19,518,803	40,805	2,649,061
Intercompany receivables	49,633	3,235,079	153,094	9,938,862
Provision for doubtful debts	(1,971)	(128,470)	(412)	(26,747)
Total	347,122	22,625,412	193,487	12,561,176



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

6 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	-	-	186,040	12,077,717
Total	-	-	186,040	12,077,717

7 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Interest Receivable	4,685	305,368	1,695	110,039
Others	-	-	2,130	138,280
Total	4,685	305,368	3,825	248,319

8 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	22,522	1,467,984	12,271	796,633
Indirect tax receivable	-	-	9,001	584,345
Total	22,522	1,467,984	21,272	1,380,978

9 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	474,414	30,922,305	474,414	30,798,957
Total	474,414	30,922,305	474,414	30,798,957

10 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(33,329)	(2,172,384)	(44,695)	(2,901,599)
Profit / (loss) for the year	33,974	2,214,425	11,366	737,881
Closing balance	645	42,041	(33,329)	(2,163,718)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11 Current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans taken	-	-	271,914	17,652,657
Total	-	-	271,914	17,652,657

12 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	321,606	20,962,279	369,435	23,983,720
Total	321,606	20,962,279	369,435	23,983,720

13 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Deposit from customers and contractors	10,000	651,800	10,000	649,200
Interest accrued but not due	1,417	92,360	-	-
Others	3,647	237,711	-	-
Total	15,064	981,871	10,000	649,200

14 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Other Statutory dues	27,791	1,811,417	-	-
Total	27,791	1,811,417	-	-

15 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	1,887,009	122,995,247	927,081	60,186,099
Total	1,887,009	122,995,247	927,081	60,186,099



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

16 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest on loan to subsidiaries	13,491	879,343	11,163	724,702
Exchange gain -Net	-	-	12,430	806,956
Total	13,491	879,343	23,593	1,531,658

17 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	1,570,427	102,360,432	623,827	40,498,849
Total	1,570,427	102,360,432	623,827	40,498,849

18 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Auditors remuneration	12,100	788,678	12,100	785,532
Communication expenses	420	27,376	406	26,358
Electricity	15,851	1,033,168	22,151	1,438,043
Exchange loss -Net	14,638	954,105	-	-
Insurance expenses	7,861	512,380	6,985	453,466
Legal and professional fees	116,995	7,625,734	171,060	11,105,215
Miscellaneous expenses	7,175	467,666	10,140	658,290
Provision for doubtful debts	1,559	101,616	412	26,747
Rates and Taxes	1,132	73,784	2,594	168,402
Rent	402	26,202	-	-
Repairs and Maintenance	21,165	1,379,535	12,509	812,084
- Plant & Machinery				
Services rendered by agencies	5,566	362,792	1,715	111,338
Total	204,864	13,353,036	240,072	15,585,475

19 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	7,290	475,162	7,659	497,222
Guarantee fees	1,029	67,070	495	32,135
Total	8,319	542,232	8,154	529,357



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Taiwan) Ltd.** ("the subsidiary") registered in Taiwan as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar Varma
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
			USD	INR*	USD	INR*
(A)	ASSETS					
(1)	Non-current assets					
	Property, plant and equipment	1	401,189	26,149,499	349,152	22,666,948
	Capital work-in-progress		6,374	415,457	1,955	126,919
	Deferred tax assets (Net)		8,350	544,253	14,276	926,798
	Non current tax asset		10,525	686,020	-	-
	Other non-current assets	2	1,578	102,854	2,689	174,570
			428,016	27,898,083	368,072	23,895,235
(2)	Current assets					
	Financial assets					
	(i) Trade receivables	3	471,093	30,705,842	706,959	45,895,778
	(ii) Cash and cash equivalent	4	378,495	24,670,304	135,422	8,791,596
	Other current assets	5	10,686	696,513	37,350	2,424,762
			860,274	56,072,659	879,731	57,112,136
	TOTAL ASSETS		1,288,290	83,970,742	1,247,803	81,007,371
(B)	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity share capital	6	7,871	513,032	7,871	510,985
	Other equity	7	(71,480)	(4,659,067)	(47,938)	(3,112,135)
	Total Equity		(63,609)	(4,146,035)	(40,067)	(2,601,150)
(2)	Current liabilities					
	Financial liabilities					
	(i) Borrowings	8	1,204,017	78,477,828	914,706	59,382,714
	(ii) Trade payables	9	63,411	4,133,129	247,667	16,078,542
	(iii) Other financial liabilities	10	28,284	1,843,551	15,308	993,795
	Other current liabilities	11	49,631	3,234,949	92,138	5,981,599
	Provisions	12	6,556	427,320	11,928	774,366
	Current tax liabilities (Net)		-	-	6,123	397,505
			1,351,899	88,116,777	1,287,870	83,608,521
	TOTAL EQUITY AND LIABILITIES		1,288,290	83,970,742	1,247,803	81,007,371

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	13	1,975,758	128,779,906	1,762,903	114,447,663
ii	Other Income	14	5,154	335,937	3,410	221,377
iii	Total income (i + ii)		1,980,912	129,115,843	1,766,313	114,669,040
iv	Expenses:					
	Network and transmission expenses	15	1,196,603	77,994,584	963,650	62,560,158
	Employee benefits expenses	16	458,773	29,902,824	491,409	31,902,272
	Operating and other expenses	17	195,766	12,760,026	176,484	11,457,342
	Finance costs	18	58,177	3,791,977	30,464	1,977,723
	Depreciation and amortisation expenses		72,339	4,715,056	42,351	2,749,427
	Total expenses		1,981,658	129,164,467	1,704,358	110,646,922
vii	(Loss) / profit before taxes (v - vi)		(746)	(48,624)	61,955	4,022,118
viii	Tax expenses					
	(i) Current tax expense/(benefit)		16,870	1,099,587	8,316	539,875
	(ii) Deferred tax expense/(benefit)		5,926	386,257	4,995	324,275
	Net tax expenses		22,796	1,485,844	13,311	864,150
ix	(Loss) / profit for the year (vii-viii)		(23,542)	(1,534,468)	48,644	3,157,968

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	934,639	60,919,770	852,793	55,363,322
Computers	752	49,015	752	48,820
(a)	935,391	60,968,785	853,545	55,412,142
Accumulated depreciation:				
Plant and machinery	533,450	34,770,271	503,641	32,696,374
Computers	752	49,015	752	48,820
(b)	534,202	34,819,286	504,393	32,745,194
Net block (a) - (b)	401,189	26,149,499	349,152	22,666,948

2 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	1,578	102,854	2,689	174,570
Total	1,578	102,854	2,689	174,570

3 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	408,203	26,606,672	450,200	29,226,984
Intercompany receivables	62,890	4,099,170	256,759	16,668,794
Total	471,093	30,705,842	706,959	45,895,778

4 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	378,495	24,670,304	135,422	8,791,596
Total	378,495	24,670,304	135,422	8,791,596



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	4,069	265,217	3,707	240,658
Indirect tax receivable	6,617	431,296	33,643	2,184,104
Total	10,686	696,513	37,350	2,424,762

6 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	7,871	513,032	7,871	510,985
Total	7,871	513,032	7,871	510,985

7 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(47,938)	(3,124,599)	(96,582)	(6,270,103)
Profit / (loss) for the year	(23,542)	(1,534,468)	48,644	3,157,968
Closing balance	(71,480)	(4,659,067)	(47,938)	(3,112,135)
Total	(71,480)	(4,659,067)	(47,938)	(3,112,135)

8 Current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans taken	1,204,017	78,477,828	914,706	59,382,714
Total	1,204,017	78,477,828	914,706	59,382,714

9 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	63,411	4,133,129	247,667	16,078,542
Total	63,411	4,133,129	247,667	16,078,542



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

10 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Interest accrued but not due	28,284	1,843,551	15,308	993,795
Total	28,284	1,843,551	15,308	993,795

11 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Other Employee dues	49,631	3,234,949	92,138	5,981,599
Total	49,631	3,234,949	92,138	5,981,599

12 Current liabilities - provisions

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Leave entitlement	6,556	427,320	11,928	774,366
Total	6,556	427,320	11,928	774,366

13 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	1,975,758	128,779,906	1,762,903	114,447,663
Total	1,975,758	128,779,906	1,762,903	114,447,663

14 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest income - others	8	521	12	779
Exchange gain -Net	5,145	335,351	-	-
Miscellaneous income	1	65	3,398	220,598
Total	5,154	335,937	3,410	221,377



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

15 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	1,196,603	77,994,584	963,650	62,560,158
Total	1,196,603	77,994,584	963,650	62,560,158

16 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	456,926	29,782,437	490,636	31,852,089
Staff welfare expenses	1,847	120,387	773	50,183
Total	458,773	29,902,824	491,409	31,902,272

17 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Communication expenses	4,321	281,643	6,278	407,568
Electricity	34,845	2,271,197	28,348	1,840,352
Entertainment expenses	6,063	395,186	21,570	1,400,324
Exchange loss -Net	-	-	3,434	222,935
Insurance expenses	7,011	456,977	6,655	432,043
IT consumables	910	59,314	-	-
Legal and professional fees	30,287	1,974,107	31,933	2,073,090
Miscellaneous expenses	14,831	966,681	12,338	800,983
Printing and stationery	99	6,453	205	13,309
Recruitment expenses	-	-	230	14,932
Repairs and Maintenance	50,914	3,318,575	18,983	1,232,376
- Plant & Machinery				
Seminars, trainings and conferences	82	5,345	1,099	71,347
Services rendered by agencies	5,905	384,888	2,443	158,600
Travelling and conveyance expenses	40,498	2,639,660	42,968	2,789,483
Total	195,766	12,760,026	176,484	11,457,342

18 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	53,322	3,475,528	27,491	1,784,716
Guarantee fees	4,855	316,449	2,973	193,007
Total	58,177	3,791,977	30,464	1,977,723



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Thailand) Limited** ("the subsidiary") registered in Thailand as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar V
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
			USD	INR*	USD	INR*
(A)	ASSETS					
(1)	Non-current assets					
	Property, plant and equipment	1	44,138	2,876,914	-	-
			44,138	2,876,914	-	-
(2)	Current assets					
	Financial assets					
	(i) Trade receivables	2	10,687	696,579	20,982	1,362,151
	(ii) Cash and cash equivalent	3	416,696	27,160,245	48,707	3,162,058
	Other current assets	4	2,666	173,770	599	38,887
			430,049	28,030,594	70,288	4,563,096
	TOTAL ASSETS		474,187	30,907,508	70,288	4,563,096
(B)	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity share capital	5	588,462	38,355,953	95,923	6,227,321
	Other equity	6	(163,702)	(10,670,097)	(151,107)	(9,809,868)
	Total Equity		424,760	27,685,856	(55,184)	(3,582,547)
(2)	Current liabilities					
	Financial liabilities					
	(i) Borrowings	7	7,612	496,150	105,000	6,816,600
	(ii) Trade payables	8	38,191	2,489,289	19,254	1,249,970
	(iii) Other financial liabilities	9	1,494	97,379	500	32,460
	Other current liabilities	10	1,825	118,954	-	-
	Current tax liabilities (Net)		305	19,880	718	46,613
			49,427	3,221,652	125,472	8,145,643
	TOTAL EQUITY AND LIABILITIES		474,187	30,907,508	70,288	4,563,096

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	11	17,360	1,131,525	-	-
ii	Other Income	12	50,972	3,322,355	203	13,178
iii	Total income (i + ii)		68,332	4,453,880	203	13,178
iv	Expenses:					
	Network and transmission expenses	13	2,200	143,396	-	-
	Employee benefits expenses	14	18,798	1,225,254	-	-
	Operating and other expenses	15	53,432	3,482,698	105,556	6,852,697
	Finance costs	16	4,455	290,377	508	32,979
	Depreciation and amortisation expenses		2,042	133,098	-	-
	Total expenses		80,927	5,274,823	106,064	6,885,676
v	(Loss) / profit before taxes (iii - iv)		(12,595)	(820,943)	(105,861)	(6,872,498)
vi	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	(Loss) / profit for the year (v-vi)		(12,595)	(820,943)	(105,861)	(6,872,498)

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	46,180	3,010,012	-	-
(a)	46,180	3,010,012	-	-
Accumulated depreciation:				
Plant and machinery	2,042	133,098	-	-
(b)	2,042	133,098	-	-
Net block (a) - (b)	44,138	2,876,914	-	-

2 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	10,687	696,579	-	-
Intercompany receivables	-	-	20,982	1,362,151
Total	10,687	696,579	20,982	1,362,151

3 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	416,696	27,160,245	48,707	3,162,058
Total	416,696	27,160,245	48,707	3,162,058

4 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	2,579	168,099	599	38,887
Indirect tax receivable	87	5,671	-	-
Total	2,666	173,770	599	38,887

5 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	588,462	38,355,953	95,923	6,227,321
Total	588,462	38,355,953	95,923	6,227,321



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

6 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(151,107)	(9,849,154)	(45,246)	(2,937,370)
Profit / (loss) for the year	(12,595)	(820,943)	(105,861)	(6,872,498)
Closing balance	(163,702)	(10,670,097)	(151,107)	(9,809,868)

7 Current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans taken	7,612	496,150	105,000	6,816,600
Total	7,612	496,150	105,000	6,816,600

8 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	35,189	2,293,619	19,254	1,249,970
Inter Company - Payables	3,002	195,670	-	-
Total	38,191	2,489,289	19,254	1,249,970

9 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Interest accrued but not due	1,494	97,379	500	32,460
Total	1,494	97,379	500	32,460

10 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Other Employee dues	1,825	118,954	-	-
Total	1,825	118,954	-	-



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	17,360	1,131,525	-	-
Total	17,360	1,131,525	-	-

12 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Exchange gain -Net	50,972	3,322,355	59	3,830
Miscellaneous income	-	-	144	9,348
Total	50,972	3,322,355	203	13,178

13 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	2,200	143,396	-	-
Total	2,200	143,396	-	-

14 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	18,798	1,225,254	-	-
Total	18,798	1,225,254	-	-

15 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Advertising and publicity	-	-	9,083	589,668
Auditors remuneration	122	7,952	588	38,173
Communication expenses	132	8,604	-	-
Insurance expenses	3,424	223,176	6,944	450,804
Legal and professional fees	45,372	2,957,347	88,704	5,758,664
Miscellaneous expenses	1,372	89,427	237	15,388
Rates and Taxes	3,010	196,192	-	-
Total	53,432	3,482,698	105,556	6,852,697



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

16 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	4,067	265,087	500	32,460
Guarantee fees	388	25,290	8	519
Total	4,455	290,377	508	32,979



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (UK) Limited** ("the subsidiary") registered in England and Wales as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar V

(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
		USD	INR*	USD	INR*
(A) ASSETS					
(1) Non-current assets					
Property, plant and equipment	1	61,588,562	4,014,342,470	57,133,547	3,709,109,872
Capital work-in-progress		1,899,996	123,841,739	4,739,575	307,693,209
Other intangible assets	2	1,739,505	113,380,936	1,093,014	70,958,469
Intangible assets under development		17,128	1,116,403	362,896	23,559,208
Investments in subsidiaries & associates	3	93,692	6,106,845	-	-
Financial assets					
(i) Other financial assets	4	378,200	24,651,076	359,886	23,363,799
Non current tax asset		110,715	7,216,404	110,715	7,187,618
Other non-current assets	5	1,189,145	77,508,471	1,437,341	93,312,178
		67,016,943	4,368,164,344	65,236,974	4,235,184,353
(2) Current assets					
Financial assets					
(i) Trade receivables	6	41,674,266	2,716,328,658	48,941,224	3,177,264,262
(ii) Cash and cash equivalent	7	804,774	52,455,169	1,355,172	87,977,766
(iii) Other financial assets	8	1,225,257	79,862,251	582,692	37,828,364
Other current assets	9	7,928,000	516,747,040	8,970,772	582,382,519
		51,632,297	3,365,393,118	59,849,860	3,885,452,911
TOTAL ASSETS		118,649,240	7,733,557,462	125,086,834	8,120,637,264
(B) EQUITY AND LIABILITIES					
(1) Equity					
Equity share capital	10	13,542,142	882,676,816	13,542,142	879,155,859
Other equity	11	(88,029,919)	(5,737,790,122)	(86,254,337)	(5,599,631,557)
Total Equity		(74,487,777)	(4,855,113,306)	(72,712,195)	(4,720,475,698)
(2) Non-current liabilities					
Financial liabilities					
(i) Other financial liabilities	12	4,896,248	319,137,445	6,200,955	402,565,999
Provisions	13	9,930,294	647,256,563	5,098,061	330,966,120
Other non current liabilities (Deferred revenue)		66,035,783	4,304,212,336	71,793,345	4,660,823,957
		80,862,325	5,270,606,344	83,092,361	5,394,356,076
(3) Current liabilities					
Financial liabilities					
(i) Borrowings	14	37,213,762	2,425,593,007	34,356,434	2,230,419,695
(ii) Trade payables	15	50,715,990	3,305,668,228	61,577,020	3,997,580,138
(iii) Other financial liabilities	16	1,775,087	115,700,170	1,172,969	76,149,147
Other current liabilities	17	21,518,897	1,402,601,707	16,742,227	1,086,905,377
Provisions	18	1,050,956	68,501,312	858,018	55,702,529
		112,274,692	7,318,064,424	114,706,668	7,446,756,886
TOTAL EQUITY AND LIABILITIES		118,649,240	7,733,557,462	125,086,834	8,120,637,264

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	19	326,373,222	21,273,006,610	364,384,800	23,655,861,216
ii	Other Income	20	2,827,504	184,296,711	491,313	31,896,040
iii	Total income (i + ii)		329,200,726	21,457,303,321	364,876,113	23,687,757,256
iv	Expenses:					
	Network and transmission expenses	21	200,272,307	13,053,748,970	239,450,819	15,545,147,169
	Employee benefits expenses	22	55,805,428	3,637,397,797	49,076,826	3,186,067,544
	Operating and other expenses	23	57,833,448	3,769,584,143	60,844,050	3,949,995,727
	Finance costs	24	2,636,296	171,833,773	1,740,254	112,977,289
	Depreciation and amortisation expenses		12,246,069	798,198,777	11,144,559	723,504,770
	Total expenses		328,793,548	21,430,763,460	362,256,508	23,517,692,499
v	Profit before exceptional items and taxes (iii - iv)		407,178	26,539,861	2,619,605	170,064,757
vi	Exceptional items:					
	Staff cost optimisation		(2,182,760)	(142,272,297)	(89,919)	(5,837,541)
vii	(Loss) / profit before taxes (v + vi)		(1,775,582)	(115,732,436)	2,529,686	164,227,216
viii	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
ix	(Loss) / profit for the year (vii - viii)		(1,775,582)	(115,732,436)	2,529,686	164,227,216

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Land	688,484	44,875,387	688,484	44,696,381
Leasehold land	54,525	3,553,940	54,525	3,539,763
Building	2,821,674	183,916,711	2,821,674	183,183,076
Lease hold improvement	8,983,451	585,541,336	4,093,760	265,766,899
Cables	39,767,462	2,592,043,173	37,514,867	2,435,465,166
Plant and machinery	103,463,929	6,743,778,892	96,601,461	6,271,366,848
Furniture and fixtures	1,635,091	106,575,231	1,423,715	92,427,578
Computers	6,336,185	412,992,538	6,113,329	396,877,319
Office equipment	793,623	51,728,347	679,331	44,102,169
Vehicles	4,544	296,178	4,544	294,996
(a)	164,548,968	10,725,301,733	149,995,690	9,737,720,195
Accumulated depreciation:				
Land	-	-	-	-
Leasehold land	32,844	2,140,772	30,268	1,964,999
Building	1,537,583	100,219,660	1,416,988	91,990,861
Lease hold improvement	3,298,895	215,021,976	2,887,390	187,449,359
Cables	18,825,959	1,227,076,008	16,305,484	1,058,552,021
Plant and machinery	72,412,057	4,719,817,875	65,876,173	4,276,681,151
Furniture and fixtures	544,407	35,484,448	427,412	27,747,587
Computers	5,963,636	388,709,794	5,640,608	366,188,271
Office equipment	340,481	22,192,552	273,276	17,741,078
Vehicles	4,544	296,178	4,544	294,996
(b)	102,960,406	6,710,959,263	92,862,143	6,028,610,323
Net block (a) - (b)	61,588,562	4,014,342,470	57,133,547	3,709,109,872

2 Other intangible assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Computer software	13,273,195	865,146,850	11,772,424	764,265,766
(a)	13,273,195	865,146,850	11,772,424	764,265,766
Accumulated amortisation:				
Computer software	11,533,690	751,765,914	10,679,410	693,307,297
(b)	11,533,690	751,765,914	10,679,410	693,307,297
Net block (a) - (b)	1,739,505	113,380,936	1,093,014	70,958,469



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3 Investments in subsidiaries & associates

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Investments in subsidiaries	93,692	6,106,845	-	-
Total	93,692	6,106,845	-	-

4 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Vendor deposits	378,200	24,651,076	359,886	23,363,799
Total	378,200	24,651,076	359,886	23,363,799

5 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	1,189,145	77,508,471	1,437,341	93,312,178
Total	1,189,145	77,508,471	1,437,341	93,312,178

6 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	42,870,142	2,794,275,856	52,101,345	3,382,419,317
Intercompany receivables	2,320,874	151,274,567	-	-
Provision for doubtful debts	(3,516,750)	(229,221,765)	(3,160,121)	(205,155,055)
Total	41,674,266	2,716,328,658	48,941,224	3,177,264,262

7 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	804,774	52,455,169	1,355,172	87,977,766
Total	804,774	52,455,169	1,355,172	87,977,766



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

8 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Security Deposit	26,095	1,700,872	944	61,284
Advances to employees	1,071,228	69,822,641	242,132	15,719,209
Others	127,934	8,338,738	339,616	22,047,871
Total	1,225,257	79,862,251	582,692	37,828,364

9 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	334,036	21,772,466	155,216	10,076,623
Prepaid expenses	6,354,070	414,158,283	6,083,025	394,909,983
Indirect tax receivable	1,047,106	68,250,369	2,732,531	177,395,913
Others	192,788	12,565,922	-	-
Total	7,928,000	516,747,040	8,970,772	582,382,519

10 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	13,542,142	882,676,816	13,542,142	879,155,859
Total	13,542,142	882,676,816	13,542,142	879,155,859

11 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(98,162,337)	(6,398,221,126)	(100,692,023)	(6,536,926,133)
Profit / (loss) for the year	(1,775,582)	(115,732,436)	2,529,686	164,227,216
Closing balance	(99,937,919)	(6,513,953,562)	(98,162,337)	(6,372,698,917)
Share premium				
	11,908,000	776,163,440	11,908,000	773,067,360
Total	(88,029,919)	(5,737,790,122)	(86,254,337)	(5,599,631,557)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

12 Non-current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Lease equalisation	4,896,248	319,137,445	6,200,955	402,565,999
Total	4,896,248	319,137,445	6,200,955	402,565,999

13 Non-current liabilities - provisions

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Asset retirement obligation and others	8,718,701	568,284,931	3,597,957	233,579,368
Retention liability	1,211,593	78,971,632	1,500,104	97,386,752
Total	9,930,294	647,256,563	5,098,061	330,966,120

14 Current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans taken	37,213,762	2,425,593,007	34,356,434	2,230,419,695
Total	37,213,762	2,425,593,007	34,356,434	2,230,419,695

15 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	50,715,990	3,305,668,228	41,222,459	2,676,162,038
Inter Company - Payables	-	-	20,354,561	1,321,418,100
Total	50,715,990	3,305,668,228	61,577,020	3,997,580,138

16 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Deposit from customers and contractors	879,329	57,314,664	853,694	55,421,814
Interest accrued but not due	351,890	22,936,190	298,006	19,346,550
Others	543,868	35,449,316	21,269	1,380,783
Total	1,775,087	115,700,170	1,172,969	76,149,147



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

17 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Deferred revenue and advance from customers	10,131,643	660,380,491	9,729,437	631,635,050
Other Employee dues	11,387,254	742,221,216	7,012,790	455,270,327
Total	21,518,897	1,402,601,707	16,742,227	1,086,905,377

18 Current liabilities - provisions

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Leave entitlement	1,050,956	68,501,312	858,018	55,702,529
Total	1,050,956	68,501,312	858,018	55,702,529

19 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	326,373,222	21,273,006,610	364,384,800	23,655,861,216
Total	326,373,222	21,273,006,610	364,384,800	23,655,861,216

20 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest income - others	-	-	9,114	591,681
Interest on loan to subsidiaries	608,853	39,685,039	231,712	15,042,743
Profit on sale of fixed assets	2	130	-	-
Exchange gain -Net	1,663,620	108,434,752	-	-
Miscellaneous income	555,029	36,176,790	250,487	16,261,616
Total	2,827,504	184,296,711	491,313	31,896,040

21 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	198,189,262	12,917,976,097	238,970,682	15,513,976,675
Rent of satellite channels	2,083,045	135,772,873	480,137	31,170,494
Total	200,272,307	13,053,748,970	239,450,819	15,545,147,169



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

22 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	55,268,749	3,602,417,060	48,709,145	3,162,197,693
Staff welfare expenses	536,679	34,980,737	367,681	23,869,851
Total	55,805,428	3,637,397,797	49,076,826	3,186,067,544

23 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Advertising and publicity	23,057,425	1,502,882,962	24,166,118	1,568,864,381
Auditors remuneration	306,553	19,981,125	281,822	18,295,884
Communication expenses	547,118	35,661,151	557,720	36,207,182
CSR expenses	6,325	412,264	892	57,909
Donations	15,169	988,715	40,093	2,602,838
Electricity	3,743,579	244,006,479	3,538,066	229,691,245
Entertainment expenses	97,187	6,334,649	98,852	6,417,472
Exchange loss -Net	-	-	98,059	6,365,990
Insurance expenses	127,904	8,336,783	138,239	8,974,476
IT consumables	91,699	5,976,941	62,797	4,076,781
Legal and professional fees	2,222,823	144,883,603	1,895,539	123,058,392
Loss on sale of fixed asset	-	-	131	8,505
Miscellaneous expenses	1,388,978	90,533,586	1,287,671	83,595,600
Printing and stationery	310,614	20,245,821	159,969	10,385,187
Provision for doubtful debts	356,629	23,245,078	1,353,907	87,895,642
Rates and Taxes	2,739,737	178,576,058	2,134,774	138,589,528
Recruitment expenses	1,069,190	69,689,804	621,182	40,327,135
Relocation Expense	515,300	33,587,254	341,407	22,164,142
Rent	3,824,989	249,312,783	3,904,906	253,506,498
Repairs and Maintenance	6,229,701	406,051,911	6,359,213	412,840,108
- Plant & Machinery				
Repairs and Maintenance -Building	181,473	11,828,410	150,039	9,740,532
Security charges	518,179	33,774,907	477,093	30,972,878
Seminars, trainings and conferences	271,198	17,676,686	574,365	37,287,776
Services rendered by agencies	4,982,494	324,758,959	8,336,567	541,209,930
Bad debts written off	845,366	55,100,956	-	-
Travelling and conveyance expenses	4,383,818	285,737,258	4,264,629	276,859,716
Total	57,833,448	3,769,584,143	60,844,050	3,949,995,727

24 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	2,409,686	157,063,333	1,559,095	101,216,447
Guarantee fees	226,610	14,770,440	181,159	11,760,842
Total	2,636,296	171,833,773	1,740,254	112,977,289



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ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications Deutschland GmbH** ("the subsidiary") registered in Germany as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar Varma

(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 May 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
		USD	INR*	USD	INR*
(A) ASSETS					
(1) Non-current assets					
Property, plant and equipment	1	9,191,550	599,105,229	8,345,191	541,769,801
Capital work-in-progress		889,802	57,997,294	1,698,623	110,274,605
Other intangible assets	2	54,029	3,521,611	29,822	1,936,044
Financial assets					
(i) Other financial assets	3	145,350	9,473,913	127,156	8,254,968
Non current tax asset		163,952	10,686,391	263,483	17,105,316
Other non-current assets	4	149,690	9,756,794	123,144	7,994,508
		10,594,373	690,541,232	10,587,419	687,335,242
(2) Current assets					
Financial assets					
(i) Trade receivables	5	11,524,073	751,139,078	9,849,296	639,416,296
(ii) Other financial assets	6	12,129	790,568	56,130	3,643,960
Current tax assets (Net)					
Other current assets	7	453,328	29,547,919	739,587	48,013,988
		11,989,530	781,477,565	10,645,013	691,074,244
TOTAL ASSETS		22,583,903	1,472,018,797	21,232,432	1,378,409,486
(B) EQUITY AND LIABILITIES					
(1) Equity					
Equity share capital	8	33,795	2,202,758	33,795	2,193,971
Other equity	9	(34,153,951)	(2,226,154,527)	(22,384,891)	(1,453,227,124)
Total Equity		(34,120,156)	(2,223,951,769)	(22,351,096)	(1,451,033,153)
(2) Non-current liabilities					
Provisions	10	94,283	6,145,366	-	-
Other non current liabilities (Deferred revenue)		783,607	51,075,504	362,125	23,509,155
		877,890	57,220,870	362,125	23,509,155
(3) Current liabilities					
Financial liabilities					
(i) Borrowings	11	36,312,876	2,366,873,258	28,320,732	1,838,581,921
(ii) Trade payables	12	15,662,788	1,020,900,522	13,022,436	845,416,545
(iii) Other financial liabilities	13	894,373	58,295,232	276,857	17,973,557
Other current liabilities	14	2,858,959	186,346,947	1,509,773	98,014,464
Provisions	15	97,173	6,333,736	91,605	5,946,997
		55,826,169	3,638,749,695	43,221,403	2,805,933,484
TOTAL EQUITY AND LIABILITIES		22,583,903	1,472,018,796	21,232,432	1,378,409,486

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	16	75,395,245	4,914,262,069	78,944,348	5,125,067,072
ii	Other Income	17	1,284,754	83,740,266	756,670	49,123,016
iii	Total income (i + ii)		76,679,999	4,998,002,335	79,701,018	5,174,190,088
iv	Expenses:					
	Network and transmission expenses	18	72,036,255	4,695,323,101	77,674,640	5,042,637,629
	Employee benefits expenses	19	4,610,108	300,486,839	4,593,716	298,224,043
	Operating and other expenses	20	6,211,223	404,847,517	4,682,897	304,013,673
	Finance costs	21	1,910,984	124,557,937	813,365	52,803,656
	Depreciation and amortisation expenses		2,305,815	150,293,022	2,124,009	137,890,664
	Total expenses		87,074,385	5,675,508,416	89,888,627	5,835,569,665
v	(Loss) / profit before exceptional items and taxes (iii - iv)		(10,394,386)	(677,506,081)	(10,187,609)	(661,379,577)
vi	Exceptional items:					
	Staff cost optimisation		(1,374,674)	(89,601,251)	(220,482)	(14,313,691)
vii	(Loss) / profit before taxes (v + vi)		(11,769,060)	(767,107,332)	(10,408,091)	(675,693,268)
viii	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
ix	(Loss) / profit for the year (vii - viii)		(11,769,060)	(767,107,332)	(10,408,091)	(675,693,268)

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	403	26,268	403	26,163
Cables	2,352,157	153,313,593	2,418,354	156,999,542
Plant and machinery	29,258,832	1,907,090,670	26,688,992	1,732,649,361
Furniture and fixtures	276,133	17,998,349	49,324	3,202,114
Computers	251,430	16,388,207	250,688	16,274,665
Office equipment	7,057	459,975	6,353	412,437
(a)	32,146,012	2,095,277,062	29,414,114	1,909,564,282
Accumulated depreciation:				
Lease hold improvement	403	26,268	403	26,163
Cables	1,388,435	90,498,193	1,196,657	77,686,972
Plant and machinery	21,268,346	1,386,270,792	19,619,653	1,273,707,873
Furniture and fixtures	54,370	3,543,837	24,435	1,586,320
Computers	239,919	15,637,920	226,278	14,689,968
Office equipment	2,989	194,823	1,497	97,185
(b)	22,954,462	1,496,171,833	21,068,923	1,367,794,481
Net block (a) - (b)	9,191,550	599,105,229	8,345,191	541,769,801

2 Other intangible assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Computer software	974,365	63,509,111	929,238	60,326,131
(a)	974,365	63,509,111	929,238	60,326,131
Accumulated amortisation:				
Computer software	920,336	59,987,500	899,416	58,390,087
(b)	920,336	59,987,500	899,416	58,390,087
Net block (a) - (b)	54,029	3,521,611	29,822	1,936,044

3 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Vendor deposits	145,350	9,473,913	127,156	8,254,968
Total	145,350	9,473,913	127,156	8,254,968



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	149,690	9,756,794	123,144	7,994,508
Total	149,690	9,756,794	123,144	7,994,508

5 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	14,294,189	931,695,239	11,443,233	742,894,686
Provision for doubtful debts	(2,770,116)	(180,556,161)	(1,593,937)	(103,478,390)
Total	11,524,073	751,139,078	9,849,296	639,416,296

6 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Security Deposit	1,301	84,799	1,301	84,461
Advances to employees	10,537	686,802	2,801	181,841
Others	291	18,967	52,028	3,377,658
Total	12,129	790,568	56,130	3,643,960

7 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	14,460	942,503	100,485	6,523,486
Prepaid expenses	438,868	28,605,416	639,102	41,490,502
Total	453,328	29,547,919	739,587	48,013,988

8 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	33,795	2,202,758	33,795	2,193,971
Total	33,795	2,202,758	33,795	2,193,971



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

9 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(22,384,891)	(1,459,047,195)	(11,976,800)	(777,533,856)
Profit / (loss) for the year	(11,769,060)	(767,107,332)	(10,408,091)	(675,693,268)
Closing balance	(34,153,951)	(2,226,154,527)	(22,384,891)	(1,453,227,124)

10 Non-current liabilities - provisions

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Asset retirement obligation and others	94,283	6,145,366	-	-
Total	94,283	6,145,366	-	-

11 Current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans taken	36,312,876	2,366,873,258	28,320,732	1,838,581,921
Total	36,312,876	2,366,873,258	28,320,732	1,838,581,921

12 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	7,462,770	486,423,349	8,990,828	583,684,554
Inter Company - Payables	8,200,018	534,477,173	4,031,608	261,731,991
Total	15,662,788	1,020,900,522	13,022,436	845,416,545

13 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Deposit from customers and contractors	161,516	10,527,613	64,475	4,185,717
Interest accrued but not due	335,369	21,859,351	212,141	13,772,194
Others	397,488	25,908,268	241	15,646
Total	894,373	58,295,232	276,857	17,973,557



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

14 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Deferred revenue and advance from customers	869,379	56,666,123	332,278	21,571,488
Other Employee dues	1,895,679	123,560,357	1,152,317	74,808,420
Other Statutory dues	93,901	6,120,467	25,178	1,634,556
Total	2,858,959	186,346,947	1,509,773	98,014,464

15 Current liabilities - provisions

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Leave entitlement	97,173	6,333,736	91,605	5,946,997
Total	97,173	6,333,736	91,605	5,946,997

16 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	75,395,245	4,914,262,069	78,944,348	5,125,067,072
Total	75,395,245	4,914,262,069	78,944,348	5,125,067,072

17 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest on loan to subsidiaries	259,199	16,894,591	74,386	4,829,139
Exchange gain -Net	511,298	33,326,404	-	-
Miscellaneous income	514,257	33,519,271	682,284	44,293,877
Total	1,284,754	83,740,266	756,670	49,123,016

18 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	72,036,255	4,695,323,101	77,674,640	5,042,637,629
Total	72,036,255	4,695,323,101	77,674,640	5,042,637,629



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

19 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	4,607,540	300,319,457	4,570,685	296,728,870
Staff welfare expenses	2,568	167,382	23,031	1,495,173
Total	4,610,108	300,486,839	4,593,716	298,224,043

20 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Advertising and publicity	152,918	9,967,195	152,096	9,874,072
Auditors remuneration	84,700	5,520,746	84,700	5,498,724
Communication expenses	46,206	3,011,707	51,447	3,339,939
Electricity	418,531	27,279,851	332,668	21,596,807
Entertainment expenses	2,126	138,573	1,295	84,071
Exchange loss -Net	-	-	132,349	8,592,097
Insurance expenses	5,510	359,142	7,129	462,815
IT consumables	208	13,557	2,829	183,659
Legal and professional fees	398,732	25,989,352	202,680	13,157,986
Miscellaneous expenses	53,626	3,495,343	33,218	2,156,510
Printing and stationery	12,422	809,666	16,617	1,078,776
Provision for doubtful debts	1,176,179	76,663,347	1,350,779	87,692,573
Rates and Taxes	336,788	21,951,842	149,203	9,686,259
Recruitment expenses	64,258	4,188,336	59,035	3,832,552
Relocation Expense	26,987	1,759,013	634	41,159
Rent	209,937	13,683,694	172,690	11,211,035
Repairs and Maintenance	2,287,614	149,106,681	1,298,750	84,314,850
- Plant & Machinery				
Repairs and Maintenance -Building	2,618	170,641	2,289	148,602
Seminars, trainings and conferences	7,155	466,363	15,418	1,000,937
Services rendered by agencies	406,932	26,523,828	456,230	29,618,452
Bad debts written off	342,404	22,317,893	-	-
Travelling and conveyance expenses	175,372	11,430,747	160,841	10,441,798
Total	6,211,223	404,847,517	4,682,897	304,013,673

21 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	1,777,222	115,839,330	774,750	50,296,770
Guarantee fees	133,762	8,718,607	38,615	2,506,886
Total	1,910,984	124,557,937	813,365	52,803,656



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications Services (Bermuda) Ltd.** ("the subsidiary") registered in Bermuda as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar Varma

(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
		USD	INR*	USD	INR*
(A) ASSETS					
(1) Non-current assets					
Property, plant and equipment	1	-	-	-	-
Other intangible assets	2	-	-	9,666	627,517
Financial assets					
(i) Loans	3	13,061,859	851,371,970	-	-
(ii) Other financial assets	4	-	-	100,354	6,514,982
		13,061,859	851,371,970	110,020	7,142,499
(2) Current assets					
Financial assets					
(i) Trade receivables	5	8,677,483	565,598,342	12,881,023	836,236,013
(ii) Cash and cash equivalent	6	87,515	5,704,228	232,604	15,100,652
(iii) Other financial assets	7	253,299	16,510,029	-	-
Other current assets	8	22,004	1,434,221	11,012	714,899
		9,040,301	589,246,820	13,124,639	852,051,564
TOTAL ASSETS		22,102,160	1,440,618,790	13,234,659	859,194,063
(B) EQUITY AND LIABILITIES					
(1) Equity					
Equity share capital	9	10,611,000	691,624,980	10,611,000	688,866,120
Other equity	10	10,735,751	699,756,252	1,886,834	122,493,264
Total Equity		21,346,751	1,391,381,232	12,497,834	811,359,384
(2) Current liabilities					
Financial liabilities					
(i) Trade payables	11	687,446	44,807,730	667,232	43,316,701
(ii) Other financial liabilities	12	63,461	4,136,388	64,017	4,155,984
Other current liabilities	13	4,502	293,440	5,576	361,994
		755,409	49,237,558	736,825	47,834,679
TOTAL EQUITY AND LIABILITIES		22,102,160	1,440,618,790	13,234,659	859,194,063

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	14	44,680,506	2,912,275,381	53,321,718	3,461,645,933
ii	Other Income	15	316,854	20,652,543	833	54,078
iii	Total income (i + ii)		44,997,360	2,932,927,924	53,322,551	3,461,700,011
iv	Expenses:					
	Network and transmission expenses	16	7,111,983	463,559,052	7,681,451	498,679,799
	Employee benefits expenses	17	48,319	3,149,432	47,490	3,083,051
	Operating and other expenses	18	2,618,474	170,672,133	3,577,088	232,224,552
	Depreciation and amortisation expenses		9,667	630,095	11,600	753,072
	Total expenses		9,788,443	638,010,712	11,317,629	734,740,474
v	Profit before taxes (iii - iv)		35,208,917	2,294,917,212	42,004,922	2,726,959,537
vi	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	Profit / (loss) for the year (v-vi)		35,208,917	2,294,917,212	42,004,922	2,726,959,537

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	95,980	6,255,976	95,980	6,231,022
Computers	2,034	132,576	2,034	132,047
(a)	98,014	6,388,552	98,014	6,363,069
Accumulated depreciation:				
Plant and machinery	95,980	6,255,976	95,980	6,231,022
Computers	2,034	132,576	2,034	132,047
(b)	98,014	6,388,552	98,014	6,363,069
Net block (a) - (b)	-	-	-	-

2 Other intangible assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Computer software	216,166	14,089,700	216,166	14,033,497
Customer relationship	49,200,000	3,206,856,000	49,200,000	3,194,064,000
(a)	49,416,166	3,220,945,700	49,416,166	3,208,097,497
Accumulated amortisation:				
Computer software	216,166	14,089,700	206,500	13,405,980
Customer relationship	49,200,000	3,206,856,000	49,200,000	3,194,064,000
(b)	49,416,166	3,220,945,700	49,406,500	3,207,469,980
Net block (a) - (b)	-	-	9,666	627,517

3 Non-current assets - financial assets - loans

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans given	13,061,859	851,371,970	-	-
Total	13,061,859	851,371,970	-	-

4 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Vendor deposits	-	-	100,354	6,514,982
Total	-	-	100,354	6,514,982



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	7,370,003	480,376,796	10,577,878	686,715,840
Intercompany receivables	1,706,640	111,238,795	2,831,675	183,832,341
Provision for doubtful debts	(399,160)	(26,017,249)	(528,530)	(34,312,168)
Total	8,677,483	565,598,342	12,881,023	836,236,013

6 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	87,515	5,704,228	232,604	15,100,652
Total	87,515	5,704,228	232,604	15,100,652

7 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Interest Receivable	253,299	16,510,029	-	-
Total	253,299	16,510,029	-	-

8 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	22,004	1,434,221	11,012	714,899
Total	22,004	1,434,221	11,012	714,899

9 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	10,611,000	691,624,980	10,611,000	688,866,120
Total	10,611,000	691,624,980	10,611,000	688,866,120



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

10 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	1,886,834	122,983,840	2,181,912	141,649,727
Profit / (loss) for the year	35,208,917	2,294,917,212	42,004,922	2,726,959,537
Dividend	(26,360,000)	(1,718,144,800)	(42,300,000)	(2,746,116,000)
Closing balance	10,735,751	699,756,252	1,886,834	122,493,264

11 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	687,446	44,807,730	667,232	43,316,701
Total	687,446	44,807,730	667,232	43,316,701

12 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Deposit from customers and contractors	63,461	4,136,388	64,017	4,155,984
Total	63,461	4,136,388	64,017	4,155,984

13 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Other Employee dues	4,502	293,440	5,576	361,994
Total	4,502	293,440	5,576	361,994

14 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	44,680,506	2,912,275,381	53,321,718	3,461,645,933
Total	44,680,506	2,912,275,381	53,321,718	3,461,645,933



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

15 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest income - others	1,696	110,545	833	54,078
Interest on loan to subsidiaries	315,158	20,541,998	-	-
Total	316,854	20,652,543	833	54,078

16 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	7,111,983	463,559,052	7,681,451	498,679,799
Total	7,111,983	463,559,052	7,681,451	498,679,799

17 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	48,319	3,149,432	47,490	3,083,051
Total	48,319	3,149,432	47,490	3,083,051

18 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Auditors remuneration	4,799	312,799	4,699	305,059
Exchange loss -Net	16,507	1,075,926	87,166	5,658,817
Legal and professional fees	19,748	1,287,175	8,127	527,605
Miscellaneous expenses	218,059	14,213,083	248,619	16,140,344
Provision for doubtful debts	(129,369)	(8,432,271)	121,437	7,883,690
Rates and Taxes	-	-	1,499	97,315
Repairs and Maintenance	2,239,180	145,949,752	2,973,893	193,065,134
- Plant & Machinery				
Services rendered by agencies	133,997	8,733,924	131,648	8,546,588
Bad debts written off	115,553	7,531,745	-	-
Total	2,618,474	170,672,133	3,577,088	232,224,552



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications Services (International) Pte. Ltd.** ("the subsidiary") registered in Singapore as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vatma
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars		Note No.	As at 31 March 2018		As at 31 March 2017	
			USD	INR*	USD	INR*
(A)	ASSETS					
(1)	Non-current assets					
	Property, plant and equipment	1	2,708,618	176,547,721	1,474,069	95,696,559
	Capital work-in-progress		161,912	10,553,424	333,587	21,656,468
	Other intangible assets	2	10,208	665,357	13,708	889,923
	Financial assets					
	(i) Loans	3	1,494,377	97,403,493	1,022,093	66,354,278
	Other non-current assets	4	102,185	6,660,418	57,647	3,742,443
			4,477,300	291,830,413	2,901,104	188,339,671
(2)	Current assets					
	Financial assets					
	(i) Trade receivables	5	929,888	60,610,100	1,247,225	80,969,847
	(ii) Cash and cash equivalent	6	162,831	10,613,325	113,713	7,382,248
	(iii) Other financial assets	7	61,292	3,995,013	119,888	7,783,129
	Other current assets	8	179,491	11,699,223	73,091	4,745,068
			1,333,502	86,917,661	1,553,917	100,880,292
			5,810,802	378,748,074	4,455,021	289,219,963
	TOTAL ASSETS					
(B)	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity share capital	9	344,869	22,478,561	344,869	22,388,895
	Other equity	10	2,199,740	143,379,054	1,878,243	121,935,535
	Total Equity		2,544,609	165,857,615	2,223,112	144,324,430
(2)	Non-current liabilities					
	Provisions	11	926,258	60,373,496	289,870	18,818,360
			926,258	60,373,496	289,870	18,818,360
(3)	Current liabilities					
	Financial liabilities					
	(i) Trade payables	12	520,562	33,930,231	276,805	17,970,181
	(ii) Other financial liabilities	13	1,658	108,068	-	-
	Other current liabilities	14	1,680,786	109,553,632	1,231,730	79,963,912
	Provisions	15	40,933	2,668,013	403,673	26,206,451
	Current tax liabilities (Net)		95,996	6,257,019	29,831	1,936,629
			2,339,935	152,516,963	1,942,039	126,077,173
			5,810,802	378,748,074	4,455,021	289,219,963
	TOTAL EQUITY AND LIABILITIES					

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from operations	16	6,583,805	429,132,410	5,129,989	333,038,886
ii	Other Income	17	32,079	2,090,909	36,607	2,376,526
iii	Total income (i + ii)		6,615,884	431,223,319	5,166,596	335,415,412
iv	Expenses:					
	Network and transmission expenses	18	207,167	13,503,145	6,358	412,761
	Employee benefits expenses	19	3,437,902	224,082,452	2,717,421	176,414,972
	Operating and other expenses	20	1,872,328	122,038,338	1,737,187	112,778,180
	Finance costs	21	15,644	1,019,676	1,894	122,958
	Depreciation and amortisation expenses		695,181	45,311,898	449,079	29,154,209
	Total expenses		6,228,222	405,955,509	4,911,939	318,883,080
v	Profit before taxes (iii - iv)		387,662	25,267,810	254,657	16,532,332
vi	Tax expenses					
	(i) Current tax expense/(benefit)		66,165	4,312,635	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		66,165	4,312,635	-	-
vii	Profit / (loss) for the year (v-vi)		321,497	20,955,175	254,657	16,532,332

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	33,020	2,152,244	33,020	2,143,658
Plant and machinery	4,394,351	286,423,798	2,518,483	163,499,916
Computers	219,349	14,297,168	219,349	14,240,137
(a)	4,646,720	302,873,210	2,770,852	179,883,711
Accumulated depreciation:				
Lease hold improvement	33,020	2,152,244	33,020	2,143,658
Plant and machinery	1,699,366	110,764,676	1,069,732	69,447,001
Computers	205,716	13,408,569	194,031	12,596,493
(b)	1,938,102	126,325,489	1,296,783	84,187,152
Net block (a) - (b)	2,708,618	176,547,721	1,474,069	95,696,559

2 Other intangible assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Computer software	17,500	1,140,650	17,500	1,136,100
(a)	17,500	1,140,650	17,500	1,136,100
Accumulated amortisation:				
Computer software	7,292	475,293	3,792	246,177
(b)	7,292	475,293	3,792	246,177
Net block (a) - (b)	10,208	665,357	13,708	889,923

3 Non-current assets - financial assets - loans

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans given	1,494,377	97,403,493	1,022,093	66,354,278
Total	1,494,377	97,403,493	1,022,093	66,354,278

4 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	102,185	6,660,418	57,647	3,742,443
Total	102,185	6,660,418	57,647	3,742,443



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	2,807	182,960	-	-
Intercompany receivables	927,081	60,427,140	1,247,225	80,969,847
Total	929,888	60,610,100	1,247,225	80,969,847

6 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Cash in hand	-	-	45	2,921
Balance with bank	162,831	10,613,325	113,668	7,379,327
Total	162,831	10,613,325	113,713	7,382,248

7 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Advances to employees	47,070	3,068,023	-	-
Interest Receivable	13,934	908,218	13,606	883,302
Others	288	18,772	106,282	6,899,827
Total	61,292	3,995,013	119,888	7,783,129

8 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	176,896	11,530,081	73,089	4,744,938
Others	2,595	169,142	2	130
Total	179,491	11,699,223	73,091	4,745,068

9 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	344,869	22,478,561	344,869	22,388,895
Total	344,869	22,478,561	344,869	22,388,895



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

10 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	1,878,243	122,423,879	1,623,586	105,403,203
Profit / (loss) for the year	321,497	20,955,175	254,657	16,532,332
Closing balance	2,199,740	143,379,054	1,878,243	121,935,535

11 Non-current liabilities - provisions

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Retention liability	926,258	60,373,496	289,870	18,818,360
Total	926,258	60,373,496	289,870	18,818,360

12 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	520,562	33,930,231	276,805	17,970,181
Total	520,562	33,930,231	276,805	17,970,181

13 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Deposit from customers and contractors	1,641	106,960	-	-
Others	17	1,108	-	-
Total	1,658	108,068	-	-

14 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Other Employee dues	1,633,459	106,468,858	1,160,616	75,347,191
Other Statutory dues	47,323	3,084,513	71,114	4,616,721
Others	4	261	-	-
Total	1,680,786	109,553,632	1,231,730	79,963,912



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

15 Current liabilities - provisions

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Leave entitlement	40,933	2,668,013	403,673	26,206,451
Total	40,933	2,668,013	403,673	26,206,451

16 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	175,528	11,440,915	-	-
Management consultancy Services	6,408,277	417,691,495	5,129,989	333,038,886
Total	6,583,805	429,132,410	5,129,989	333,038,886

17 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest on loan to subsidiaries	31,946	2,082,240	23,984	1,557,041
Miscellaneous income	133	8,669	12,623	819,485
Total	32,079	2,090,909	36,607	2,376,526

18 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	207,167	13,503,145	6,358	412,761
Total	207,167	13,503,145	6,358	412,761

19 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	3,410,885	222,321,484	2,674,387	173,621,204
Contribution to provident and other funds	21,763	1,418,512	17,117	1,111,236
Staff welfare expenses	5,254	342,456	25,917	1,682,532
Total	3,437,902	224,082,452	2,717,421	176,414,972



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

20 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Advertising and publicity	1,524	99,334	-	-
Auditors remuneration	3,626	236,343	2,577	167,299
Communication expenses	20,411	1,330,389	18,641	1,210,174
Donations	3,601	234,713	-	-
Entertainment expenses	2,853	185,959	8,834	573,503
Exchange loss -Net	30,397	1,981,276	112,458	7,300,773
IT consumables	-	-	29	1,883
Legal and professional fees	58,398	3,806,382	944,769	61,334,403
Miscellaneous expenses	25,135	1,638,299	17,563	1,140,190
Printing and stationery	464	30,244	463	30,058
Rates and Taxes	-	-	428	27,786
Recruitment expenses	7,047	459,323	-	-
Repairs and Maintenance	310,901	20,264,527	168,290	10,925,387
- Plant & Machinery	-	-	-	-
Seminars, trainings and conferences	7,824	509,968	20,374	1,322,680
Services rendered by agencies	1,096,789	71,488,707	203,176	13,190,186
Travelling and conveyance expenses	303,358	19,772,874	239,585	15,553,858
Total	1,872,328	122,038,338	1,737,187	112,778,180

21 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	15,644	1,019,676	1,894	122,958
Total	15,644	1,019,676	1,894	122,958



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ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (New Zealand) Limited** ("the subsidiary") registered in New Zealand as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

V. Varma
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
			USD	INR*	USD	INR*
(A)	ASSETS					
(1)	Non-current assets					
	Property, plant and equipment	1	67,410	4,393,783	75,482	4,900,291
	Financial assets					
	(i) Loans	2	16,753	1,091,961	-	-
	Deferred tax assets (Net)		6,805	443,550	2,251	146,135
	Non current tax asset		15,097	984,022	22,538	1,463,167
	Other non-current assets	3	769	50,123	1,888	122,569
			106,834	6,963,439	102,159	6,632,162
(2)	Current assets					
	Financial assets					
	(i) Trade receivables	4	45,873	2,990,001	92,979	6,036,197
	(ii) Cash and cash equivalent	5	28,722	1,872,100	125,767	8,164,794
	(iii) Other financial assets	6	49	3,194	544	35,316
	Other current assets	7	11,086	722,585	1,860	120,752
			85,730	5,587,880	221,150	14,357,059
	TOTAL ASSETS		192,564	12,551,319	323,309	20,989,221
(B)	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity share capital	8	100	6,518	100	6,492
	Other equity	9	94,477	6,158,008	103,857	6,742,397
	Total Equity		94,577	6,164,526	103,957	6,748,889
(2)	Current liabilities					
	Financial liabilities					
	(i) Borrowings	10	-	-	162,688	10,561,705
	(ii) Trade payables	11	97,692	6,367,565	45,327	2,942,629
	(iii) Other financial liabilities	12	295	19,228	3,123	202,745
	Other current liabilities	13	-	-	8,214	533,253
			97,987	6,386,793	219,352	14,240,332
	TOTAL EQUITY AND LIABILITIES		192,564	12,551,319	323,309	20,989,221

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	14	259,974	16,945,106	266,484	17,300,141
ii	Other Income	15	220	14,340	53	3,441
iii	Total income (i + ii)		260,194	16,959,446	266,537	17,303,582
iv	Expenses:					
	Network and transmission expenses	16	210,242	13,703,574	87,045	5,650,961
	Employee benefits expenses	17	9,122	594,572	128,047	8,312,811
	Operating and other expenses	18	20,130	1,312,076	26,974	1,751,152
	Finance costs	19	11,473	747,811	4,780	310,318
	Depreciation and amortisation expenses		21,423	1,396,351	18,550	1,204,266
	Total expenses		272,390	17,754,384	265,396	17,229,508
v	(Loss) / profit before taxes (iii - iv)		(12,196)	(794,938)	1,141	74,074
vi	Tax expenses					
	(i) Current tax expense/(benefit)		1,738	113,283	(2,069)	(134,319)
	(ii) Deferred tax expense/(benefit)		(4,554)	(296,830)	434	28,175
	Net tax expenses		(2,816)	(183,547)	(1,635)	(106,144)
vii	(Loss) / profit for the year (v-vi)		(9,380)	(611,391)	2,776	180,218

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	175,835	11,460,925	162,484	10,548,461
(a)	175,835	11,460,925	162,484	10,548,461
Accumulated depreciation:				
Plant and machinery	108,425	7,067,142	87,002	5,648,170
(b)	108,425	7,067,142	87,002	5,648,170
Net block (a) - (b)	67,410	4,393,783	75,482	4,900,291

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans given	16,753	1,091,961	-	-
Total	16,753	1,091,961	-	-

3 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	769	50,123	1,888	122,569
Total	769	50,123	1,888	122,569

4 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	31,779	2,071,355	4,418	286,817
Intercompany receivables	14,636	953,974	88,561	5,749,380
Provision for doubtful debts	(542)	(35,328)	-	-
Total	45,873	2,990,001	92,979	6,036,197

5 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	28,722	1,872,100	125,767	8,164,794
Total	28,722	1,872,100	125,767	8,164,794



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

6 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Others	49	3,194	544	35,316
Total	49	3,194	544	35,316

7 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Other Advances	-	-	279	18,113
Prepaid expenses	10,762	701,467	1,580	102,574
Indirect tax receivable	324	21,118	-	-
Others	-	-	1	65
Total	11,086	722,585	1,860	120,752

8 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	100	6,518	100	6,492
Total	100	6,518	100	6,492

9 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	103,857	6,769,399	101,081	6,562,179
Profit / (loss) for the year	(9,380)	(611,391)	2,776	180,218
Closing balance	94,477	6,158,008	103,857	6,742,397

10 Current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans taken	-	-	162,688	10,561,705
Total	-	-	162,688	10,561,705



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	97,692	6,367,565	45,327	2,942,629
Total	97,692	6,367,565	45,327	2,942,629

12 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Interest accrued but not due	295	19,228	3,123	202,745
Total	295	19,228	3,123	202,745

13 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Other Employee dues	-	-	159	10,322
Other Statutory dues	-	-	8,055	522,931
Total	-	-	8,214	533,253

14 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	250,282	16,313,381	131,462	8,534,513
Management consultancy Services	9,692	631,725	135,022	8,765,628
Total	259,974	16,945,106	266,484	17,300,141

15 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest on loan to subsidiaries	220	14,340	-	-
Miscellaneous income	-	-	53	3,441
Total	220	14,340	53	3,441



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

16 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	210,242	13,703,574	87,045	5,650,961
Total	210,242	13,703,574	87,045	5,650,961

17 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	9,122	594,572	128,047	8,312,811
Total	9,122	594,572	128,047	8,312,811

18 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Communication expenses	-	-	21	1,363
Directors fees	2,320	151,218	5,751	373,355
Electricity	1,894	123,451	2,052	133,216
Entertainment expenses	-	-	6	390
Exchange loss -Net	5,758	375,306	10,129	657,575
Insurance expenses	5,675	369,897	52	3,376
Legal and professional fees	(1,101)	(71,763)	6,589	427,758
Miscellaneous expenses	1,715	111,786	825	53,558
Provision for doubtful debts	542	35,328	-	-
Repairs and Maintenance	2,630	171,423	1,188	77,125
- Plant & Machinery				
Services rendered by agencies	697	45,430	241	15,646
Travelling and conveyance expenses	-	-	120	7,790
Total	20,130	1,312,076	26,974	1,751,152

19 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	4,759	310,192	4,539	294,672
Guarantee fees	6,714	437,619	241	15,646
Total	11,473	747,811	4,780	310,318



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ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **ITXC IP Holdings SARL** ("the subsidiary") registered in Luxembourg as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



Suresh Surana & Associates LLP

Chartered Accountants

The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Nalwani

(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
			USD	INR*	USD	INR*
(A)	ASSETS					
(1)	Non-current assets					
	Property, plant and equipment	1	152,582	9,945,295	-	-
	Capital work-in-progress		-	-	160,559	10,423,490
	Financial assets					
	(i) Loans	2	10,015,210	652,791,388	28,812,209	1,870,488,608
			10,167,792	662,736,683	28,972,768	1,880,912,098
(2)	Current assets					
	Financial assets					
	(i) Trade receivables	3	27,793	1,811,548	-	-
	(ii) Other financial assets	4	213,024	13,884,904	468,627	30,423,265
	Other current assets	5	21,950	1,430,701	11,972	777,222
			262,767	17,127,153	480,599	31,200,487
	TOTAL ASSETS		10,430,559	679,863,836	29,453,367	1,912,112,585
(B)	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity share capital	6	16,247	1,058,979	16,247	1,054,755
	Other equity	7	(2,086,585)	(136,003,609)	19,117,821	1,241,128,939
	Total Equity		(2,070,338)	(134,944,630)	19,134,068	1,242,183,694
(2)	Current liabilities					
	Financial liabilities					
	(i) Borrowings	8	12,144,998	791,610,970	9,825,677	637,882,951
	(ii) Trade payables	9	332,669	21,683,365	485,171	31,497,301
	(iii) Other financial liabilities	10	35	2,281	-	-
	Current tax liabilities (Net)		23,195	1,511,850	8,451	548,639
			12,500,897	814,808,466	10,319,299	669,928,891
	TOTAL EQUITY AND LIABILITIES		10,430,559	679,863,836	29,453,367	1,912,112,585

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	11	33,467	2,181,379	2,183,018	141,721,529
ii	Other Income	12	3,418,638	222,826,825	2,313,200	150,172,944
iii	Total income (i + ii)		3,452,105	225,008,204	4,496,218	291,894,473
iv	Expenses:					
	Network and transmission expenses	13	2,674,195	174,304,030	354,369	23,005,635
	Operating and other expenses	14	83,796	5,461,823	1,855,392	120,452,050
	Finance costs	15	2,319,321	151,173,343	-	-
	Depreciation and amortisation expenses		21,797	1,420,728	-	-
	Total expenses		5,099,109	332,359,924	2,209,761	143,457,685
v	(Loss) / profit before exceptional items and taxes (iii - iv)		(1,647,004)	(107,351,720)	2,286,457	148,436,788
vi	Exceptional items:					
	Inter company loans written off		(19,546,394)	(1,274,033,961)	-	-
vii	(Loss) / profit before taxes (v + vi)		(21,193,398)	(1,381,385,681)	2,286,457	148,436,788
viii	Tax expenses					
	(i) Current tax expense/(benefit)		11,008	717,501	8,833	573,438
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		11,008	717,501	8,833	573,438
ix	(Loss) / profit for the year (vii - viii)		(21,204,406)	(1,382,103,182)	2,277,624	147,863,350

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	174,379	11,366,023	-	-
(a)	174,379	11,366,023	-	-
Accumulated depreciation:				
Plant and machinery	21,797	1,420,728	-	-
(b)	21,797	1,420,728	-	-
Net block (a) - (b)	152,582	9,945,295	-	-

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans given	10,015,210	652,791,388	28,812,209	1,870,488,608
Total	10,015,210	652,791,388	28,812,209	1,870,488,608

3 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	27,793	1,811,548	-	-
Total	27,793	1,811,548	-	-

4 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Interest Receivable	213,024	13,884,904	468,627	30,423,265
Total	213,024	13,884,904	468,627	30,423,265

5 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	4,442	289,530	-	-
Indirect tax receivable	17,508	1,141,171	11,972	777,222
Total	21,950	1,430,701	11,972	777,222



6 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	16,247	1,058,979	16,247	1,054,755
Total	16,247	1,058,979	16,247	1,054,755

7 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	19,117,821	1,246,099,573	16,840,197	1,093,265,589
Profit / (loss) for the year	(21,204,406)	(1,382,103,182)	2,277,624	147,863,350
Closing balance	(2,086,585)	(136,003,609)	19,117,821	1,241,128,939

8 Current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans taken	12,144,998	791,610,970	9,825,677	637,882,951
Total	12,144,998	791,610,970	9,825,677	637,882,951

9 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	57,233	3,730,447	194,436	12,622,785
Inter Company - Payables	275,436	17,952,918	290,735	18,874,516
Total	332,669	21,683,365	485,171	31,497,301

10 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Others	35	2,281	-	-
Total	35	2,281	-	-



11 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	33,467	2,181,379	2,183,018	141,721,529
Total	33,467	2,181,379	2,183,018	141,721,529

12 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest on loan to subsidiaries	668,433	43,568,463	2,286,459	148,436,918
Exchange gain -Net	2,750,205	179,258,362	-	-
Miscellaneous income	-	-	26,741	1,736,026
Total	3,418,638	222,826,825	2,313,200	150,172,944

13 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	2,674,195	174,304,030	354,369	23,005,635
Total	2,674,195	174,304,030	354,369	23,005,635

14 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Advertising and publicity	3,352	218,483	-	-
Communication expenses	44	2,868	58	3,765
Electricity	8,609	561,135	-	-
Exchange loss -Net	-	-	1,779,138	115,501,639
Legal and professional fees	61,933	4,036,793	72,440	4,702,805
Miscellaneous expenses	2,088	136,095	564	36,616
Rates and Taxes	2,204	143,657	3,192	207,225
Repairs and Maintenance	5,566	362,792	-	-
- Plant & Machinery	-	-	-	-
Total	83,796	5,461,823	1,855,392	120,452,050

15 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest expenses	2,319,321	151,173,343	-	-
Total	2,319,321	151,173,343	-	-



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **SEPCO Communications (Pty) Limited** ("the subsidiary") registered in South Africa as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Nalman V
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

SEPCO Communications (Pty) Limited

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
			ZAR	INR*	ZAR	INR*
(A)	ASSETS					
(1)	Non-current assets					
	Financial assets					
	(i) Loans	1	-	-	510	2,474
			-	-	510	2,474
(2)	Current assets					
	Financial assets					
	(i) Cash and cash equivalent	2	6,658,141	36,686,357	375,794,777	1,822,604,666
			6,658,141	36,686,357	375,794,777	1,822,604,666
	TOTAL ASSETS		6,658,141	36,686,357	375,795,287	1,822,607,140
(B)	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity share capital	3	1,000	5,510	1,000	4,850
	Other equity	4	6,328,845	34,871,936	375,399,337	1,820,686,782
	Total Equity		6,329,845	34,877,446	375,400,337	1,820,691,632
(2)	Non-current liabilities					
	Financial liabilities					
	(i) Borrowings	5	223,676	1,232,455	223,676	1,084,829
			223,676	1,232,455	223,676	1,084,829
(3)	Current liabilities					
	Financial liabilities					
	(i) Trade payables	6	104,620	576,456	171,274	830,679
			104,620	576,456	171,274	830,679
	TOTAL EQUITY AND LIABILITIES		6,658,141	36,686,357	375,795,287	1,822,607,140

*Exchange rate as at 31 March 2018 1 ZAR = INR 5.51 (as at 31 March 2017 1 ZAR = INR 4.85)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			ZAR	INR*	ZAR	INR*
i	Revenue from telecommunications services	7	-	-	-	-
ii	Other Income		6,909,010	38,068,646	2,568,010	12,454,847
iii	Total income (i + ii)		6,909,010	38,068,646	2,568,010	12,454,847
iv	Expenses:	8				
(i)	Operating and other expenses		274,456	1,512,252	21,098	102,325
(ii)	Investment write off		-	-	(373,190,914)	(1,809,975,935)
	Total expenses		274,456	1,512,252	(373,169,816)	(1,809,873,610)
v	Profit/(loss) before exceptional items and tax		6,634,554	36,556,395	375,737,826	1,822,328,457
vi	Exceptional items		1,593,763,271	8,781,635,623	-	-
vii	Profit after exceptional item before taxes (iii -iv)		1,600,397,825	8,818,192,018	375,737,826	1,822,328,457
viii	Tax expenses					
(i)	Current tax expense/(benefit)		2,694,778	14,848,227	-	-
(ii)	Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		2,694,778	14,848,227		
ix	Profit / (loss) for the year (v-vi)		1,597,703,047	8,803,343,791	375,737,826	1,822,328,457

*Exchange rate as at 31 March 2018 1 ZAR = INR 5.51 (as at 31 March 2017 1 ZAR = INR 4.85)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Non-current assets - financial assets - loans

Particulars	As at 31 March 2018		As at 31 March 2017	
	ZAR	INR	ZAR	INR
Inter company loans given	-	-	510	2,474
Total	-	-	510	2,474

2 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	ZAR	INR	ZAR	INR
Balance with bank	6,658,141	36,686,357	375,794,777	1,822,604,666
Total	6,658,141	36,686,357	375,794,777	1,822,604,666

3 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	ZAR	INR	ZAR	INR
Equity share capital	1,000	5,510	1,000	4,850
Total	1,000	5,510	1,000	4,850

4 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	ZAR	INR	ZAR	INR
Surplus / (Deficit)				
Opening balance	(2,111,960,400)	(11,636,901,804)	(2,487,698,226)	(12,065,336,397)
Profit / (loss) for the year	1,597,703,047	8,803,343,791	375,737,826	1,822,328,457
Closing balance	(514,257,353)	(2,833,558,012)	(2,111,960,400)	(10,243,007,940)
Share premium	515,380,336	2,839,745,649	515,380,336	2,499,594,627
Preference share capital	5,205,862	28,684,300	1,971,979,401	9,564,100,095
Total	6,328,845	34,871,936	375,399,337	1,820,686,782

5 Non-current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	ZAR	INR	ZAR	INR
Unsecured borrowings - Inter company loans taken	223,676	1,232,455	223,676	1,084,829
Total	223,676	1,232,455	223,676	1,084,829



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

6 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	ZAR	INR	ZAR	INR
Trade payables	104,620	576,456	171,274	830,679
Total	104,620	576,456	171,274	830,679

7 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	ZAR	INR*	ZAR	INR*
Interest income - bank deposit & others	6,909,010	38,068,646	2,568,010	12,454,847
Total	6,909,010	38,068,646	2,568,010	12,454,847

8 Other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	ZAR	INR*	ZAR	INR*
Auditors remuneration	-	-	18,750	90,938
Miscellaneous expenses	11,005	60,636	2,348	11,388
Legal and professional fees	263,451	1,451,616	-	-
Total	274,456	1,512,252	21,098	102,325



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **TCPoP Communications GmbH** ("the subsidiary") registered in Austria as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

V. Varma
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
		USD	INR*	USD	INR*
(A) ASSETS					
(1) Non-current assets					
Property, plant and equipment	1	377,390	24,598,280	194,280	12,612,657
Financial assets					
(i) Loans	2	625,709	40,783,713	996,374	64,684,600
(ii) Other financial assets	3	3,578	233,214	3,104	201,512
Deferred tax assets (Net)		9,377	611,193	-	-
Non current tax asset		18,305	1,193,120	-	-
		1,034,359	67,419,520	1,193,758	77,498,769
(2) Current assets					
Financial assets					
(i) Trade receivables	4	80,126	5,222,612	125,683	8,159,340
(ii) Cash and cash equivalent	5	-	-	1	65
(iii) Other financial assets	6	15,551	1,013,614	14,565	945,560
Other current assets	7	21,583	1,406,780	6,940	450,544
		117,260	7,643,006	147,189	9,555,509
TOTAL ASSETS		1,151,619	75,062,526	1,340,947	87,054,278
(B) EQUITY AND LIABILITIES					
(1) Equity					
Equity share capital	8	45,681	2,977,488	45,681	2,965,611
Other equity	9	999,234	65,130,071	908,412	58,974,105
Total Equity		1,044,915	68,107,559	954,093	61,939,716
(2) Current liabilities					
Financial liabilities					
(i) Trade payables	10	77,892	5,077,001	139,105	9,030,697
(ii) Other financial liabilities	11	28,812	1,877,966	7,751	503,195
Current tax liabilities (Net)		-	-	239,998	15,580,670
		106,704	6,954,967	386,854	25,114,562
TOTAL EQUITY AND LIABILITIES		1,151,619	75,062,526	1,340,947	87,054,278

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	12	403,661	26,310,624	819,081	53,174,739
ii	Other Income	13	156,739	10,216,248	25,598	1,661,822
iii	Total income (i + ii)		560,400	36,526,872	844,679	54,836,561
iv	Expenses:					
	Network and transmission expenses	14	117,896	7,684,461	40,655	2,639,323
	Operating and other expenses	15	303,375	19,773,984	421,301	27,350,863
	Finance costs	16	-	-	328	21,294
	Depreciation and amortisation expenses		57,684	3,759,843	33,957	2,204,488
	Total expenses		478,955	31,218,288	496,241	32,215,968
v	Profit before taxes (iii - iv)		81,445	5,308,584	348,438	22,620,593
vi	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	97,125	6,305,355
	(ii) Deferred tax expense/(benefit)		(9,377)	(611,193)	-	-
	Net tax expenses		(9,377)	(611,193)	97,125	6,305,355
vii	Profit / (loss) for the year (v-vi)		90,822	5,919,777	251,313	16,315,238

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Cables	76,660	4,996,699	-	-
Plant and machinery	580,049	37,807,594	409,347	26,574,807
(a)	656,709	42,804,293	409,347	26,574,807
Accumulated depreciation:				
Cables	8,944	582,970	-	-
Plant and machinery	270,375	17,623,043	215,067	13,962,150
(b)	279,319	18,206,013	215,067	13,962,150
Net block (a) - (b)	377,390	24,598,280	194,280	12,612,657

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Inter company loans given	625,709	40,783,713	996,374	64,684,600
Total	625,709	40,783,713	996,374	64,684,600

3 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Vendor deposits	3,578	233,214	3,104	201,512
Total	3,578	233,214	3,104	201,512

4 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	73,668	4,801,680	21,464	1,393,443
Intercompany receivables	6,458	420,932	104,219	6,765,897
Total	80,126	5,222,612	125,683	8,159,340



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	-	-	1	65
Total	-	-	1	65

6 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Interest Receivable	15,551	1,013,614	14,547	944,391
Others	-	-	18	1,169
Total	15,551	1,013,614	14,565	945,560

7 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	430	28,027	1,983	128,736
Indirect tax receivable	21,153	1,378,753	4,957	321,808
Total	21,583	1,406,780	6,940	450,544

8 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	45,681	2,977,488	45,681	2,965,611
Total	45,681	2,977,488	45,681	2,965,611

9 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	908,412	59,210,294	657,099	42,658,867
Profit / (loss) for the year	90,822	5,919,777	251,313	16,315,238
Closing balance	999,234	65,130,071	908,412	58,974,105



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

10 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	77,892	5,077,001	139,105	9,030,697
Total	77,892	5,077,001	139,105	9,030,697

11 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Others	28,812	1,877,966	7,751	503,195
Total	28,812	1,877,966	7,751	503,195

12 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	403,661	26,310,624	819,081	53,174,739
Total	403,661	26,310,624	819,081	53,174,739

13 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest on loan to subsidiaries	35,712	2,327,708	25,598	1,661,822
Exchange gain -Net	121,027	7,888,540	-	-
Total	156,739	10,216,248	25,598	1,661,822

14 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	117,896	7,684,461	40,655	2,639,323
Total	117,896	7,684,461	40,655	2,639,323



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

15 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Advertising and publicity	91	5,931	-	-
Communication expenses	88	5,736	70	4,544
Electricity	93,613	6,101,695	89,218	5,792,033
Exchange loss -Net	-	-	49,529	3,215,423
Insurance expenses	1,733	112,957	1,770	114,908
Legal and professional fees	43,881	2,860,164	61,182	3,971,935
Miscellaneous expenses	(36,836)	(2,400,969)	29,183	1,894,562
Rates and Taxes	(962)	(62,703)	3,196	207,484
Rent	176,258	11,488,496	177,255	11,507,395
Repairs and Maintenance	24,471	1,595,020	8,856	574,932
- Plant & Machinery				
Services rendered by agencies	1,038	67,657	1,042	67,647
Total	303,375	19,773,984	421,301	27,350,863

16 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
			USD	INR
Interest expenses	-	-	328	21,294
Total	-	-	328	21,294



INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Communications Payment Solutions Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Tata Communications Payment Solutions Limited (the 'Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the 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.

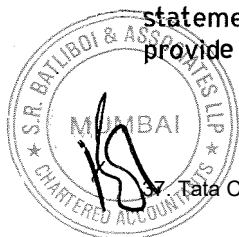
Management's Responsibility for the Ind AS Financial Statements

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 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 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 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 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 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 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 Ind AS financial statements.



Opinion

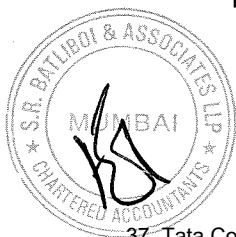
In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of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

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 3, 2017.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 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 it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (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 has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 30 to the Ind AS financial statements;



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Hormuz Master
Partner



Membership Number: 110797

Place of Signature: Mumbai

Date: May 4, 2018

Annexure 1 referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date

Re: Tata Communications Payment Solutions Limited (the 'Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, value added tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to employees' state insurance, duty of custom and duty of excise are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, sales-tax, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, duty of custom and duty of excise are not applicable to the Company.

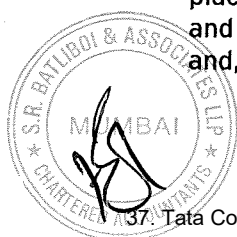


(c) According to the records of the Company, the dues of income-tax, sales-tax and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rupees in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Bihar Value Added Tax, 2005	VAT Demand	121.23	2014-15	Deputy Commissioner of Commercial Taxes, Patna
Kerela Value Added Tax, 2003	Sales tax	0.87	2013-14	Sales Tax Officer - Walayar
Kerela Value Added Tax, 2003	Sales tax	7.40	2014-15	Sales Tax Officer - Manjeshwaram

The provisions relating to employees' state insurance, duty of custom and duty of excise are not applicable to the Company.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a bank. The Company did not have any loans or borrowing in respect of a financial institution, or to government or debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer or further public offer or debt instruments and term loans, hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.



- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Hormuz Master

Partner

Membership Number: 110797



Place of Signature: Mumbai

Date: May 4, 2018

Annexure 2 referred to in paragraph 2 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date.

Re: Tata Communications Payment Solutions Limited (the 'Company')

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 Tata Communications Payment Solutions Limited (the 'Company') as of March 31, 2018 in conjunction with our audit of the standalone 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. 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 the 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.

Auditor's Responsibility

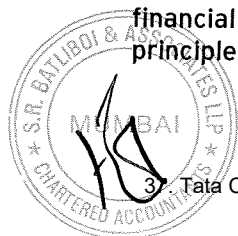
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent 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 judgement, 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 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 March 31, 2018, 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 S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004


per Hormuz Master
Partner

Membership Number: 110797

Place of Signature: Mumbai

Date: May 4, 2018



Tata Communications Payment Solutions Limited

Balance Sheet as at 31 March 2018

	Particulars	Notes	As at 31 March 2018 ₹ in Lakhs	As at 31 March 2017 ₹ in Lakhs
A	ASSETS			
(1)	Non-current assets			
(a)	Property, plant and equipment	3	36,096.13	47,889.55
(b)	Capital work-in-progress		32.06	692.45
(c)	Intangible assets	4	120.75	204.35
(d)	Financial Assets			
(i)	Other financial assets	5A	2,310.52	2,813.33
(e)	Income tax assets (net)	6	731.58	1,639.90
(f)	Other assets	7A	227.14	262.20
	Total non-current assets		39,518.18	53,501.78
(2)	Current assets			
(a)	Financial Assets			
(i)	Trade receivables	8	7,544.42	9,954.61
(ii)	Cash and cash equivalents	9	54,440.59	42,530.77
(iii)	Bank balances other than (ii) above	10	15.00	15.00
(iv)	Other financial assets	5B	704.37	1,742.63
(b)	Other assets	7B	1,322.52	1,328.59
	Total current assets		64,026.90	55,571.60
	Total assets		1,03,545.08	1,09,073.38
B	EQUITY AND LIABILITIES			
I	Equity			
(a)	Equity share capital	11	98,709.18	75,445.74
(b)	Other equity	12	(58,374.68)	(16,668.30)
	Total equity		40,334.50	58,777.44
II	Liabilities			
(1)	Non-current liabilities			
(a)	Provisions	13A	309.00	439.29
(b)	Other liabilities	14A	121.70	113.96
	Total non-current liabilities		430.70	553.25
(2)	Current liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	15	45,700.14	30,698.79
(ii)	Trade and other payables			
1.	Total outstanding dues of micro enterprises and small enterprises	16A	78.78	582.62
2.	Total outstanding dues of creditors other than micro enterprises and small enterprises	16B	14,783.06	16,016.27
(iii)	Other financial liabilities	17	1,323.40	1,664.89
(b)	Provisions	13B	19.47	25.07
(c)	Other liabilities	14B	875.03	755.05
	Total current liabilities		62,779.88	49,742.69
	Total equity and liabilities		1,03,545.08	1,09,073.38

See accompanying notes forming part of the financial statements

For and on behalf of the board of Directors

In terms of our report attached
For S.R. Batliboi & Associates LLP

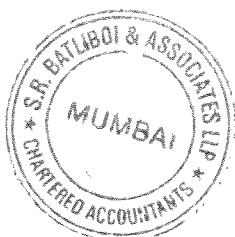
Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Hormuz Master

Partner

Membership Number: 110797



Rishabh Aditya
Company Secretary

Aadesh Goyal
Director

Sanjeev Patel
Chief Executive Officer

Sumeet Walia
Director

Sanjay Agarwal
Chief Financial Officer

Place : Mumbai

Dated: 04 May 2018

Place : Delhi

Dated: 04 May 2018

Tata Communications Payment Solutions Limited
Statement of Profit and Loss for the year ended 31 March 2018

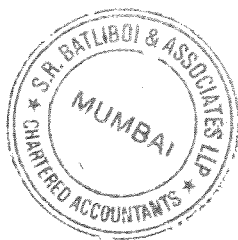
	Particulars	Notes	Year ended	Year ended
			31 March 2018 ₹ in Lakhs	31 March 2017 ₹ in Lakhs
I	Revenue from operations		38,291.61	52,810.48
II	Other Income	18	38,291.61	52,810.48
III	Total Income (I + II)		579.44	367.61
IV	Expenses:			
	Operating and other expenses	19	36,933.37	48,845.53
	Employee benefit expense	20	3,334.91	3,429.99
	Finance costs	21	2,506.75	2,534.60
	Depreciation and amortisation expense	22	14,537.82	15,542.12
	Total Expenses		57,312.85	70,352.24
V	Loss before exceptional items and tax (III - IV)		(18,441.80)	(17,174.15)
VI	Exceptional Items	23	57.38	-
VII	Loss before tax (V - VI)		(18,499.18)	(17,174.15)
VIII	Tax expense		-	-
IX	Loss for the year (VII - VIII)		(18,499.18)	(17,174.15)
X	Other comprehensive income/(loss)			
	Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans		56.24	(21.16)
	Other comprehensive income/(loss) for the year, net of tax		56.24	(21.16)
XI	Total comprehensive loss for the year, net of tax (IX + X)		(18,442.94)	(17,195.31)
	Basic/ Diluted Earnings per share (of ₹ 10 each)	26	(2.01)	(2.50)

See accompanying notes forming part of the financial statements

In terms of our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Hormuz Master
Partner
Membership Number: 110797



RAS P.
Rishabh Aditya
Company Secretary

For and on behalf of the board of Directors

Aadesh Goyal
Director

Sumeet Walia
Director

Sanjeev Patel
Chief Executive Officer

Sanjay Agarwal
Chief Financial Officer

Place : Mumbai
Dated: 04 May 2018

Place : Delhi
Dated: 04 May 2018


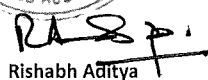


Tata Communications Payment Solutions Limited
Cash Flow Statement for the year ended 31 March 2018

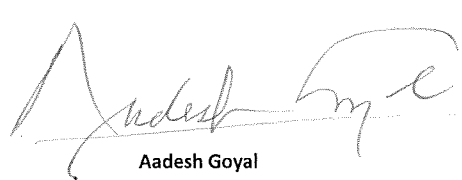
Particulars	Year Ended 31 March 2018 ₹ in Lakhs	Year Ended 31 March 2017 ₹ in Lakhs
Cash Flows from operating activities		
Loss before tax	(18,499.18)	(17,174.15)
Adjustments for :		
Depreciation and amortisation expense	14,537.82	15,542.12
Finance cost	2,506.75	2,534.60
Loss/(Gain) on write off or sale of property, plant and equipment and intangible assets (net)	(36.51)	40.93
Allowance for doubtful advances	(5.86)	56.45
Allowance for trade receivables	503.48	(311.67)
Bad debts	166.90	424.33
Gain on investments carried at fair value through profit or loss	(14.84)	(32.87)
Provision/Liabilities no longer required written back	256.20	119.64
Interest on income tax refund	(232.66)	(165.43)
Operating profit before working capital changes	(817.89)	1,033.95
Adjustment for (increase) / decrease in operating assets:		
Trade receivable	1,739.80	(2,702.14)
Other assets	1,591.83	(233.65)
Adjustment for increase / (decrease) in operating liabilities:		
Trade and other payables	(1,566.85)	(1,398.14)
Provisions	(108.92)	(15.16)
Other Liabilities	137.76	(259.87)
Cash (used in) or generated from operations	975.72	(3,575.01)
Income tax (paid)/refund received (net)	1,140.99	1,766.55
Net cash flow (Used in) or generated from operating activities	2,116.71	(1,808.46)
Cash flow from investing activities		
Payments for purchase of property, plant and equipment and intangible assets	(3,273.33)	(8,727.61)
Proceeds from disposal of property, plant and equipment	527.72	75.76
Purchase of current investment	(4,000.00)	(8,550.00)
Sale of current investment	4,014.84	8,582.87
Restricted deposits placed with bank	-	(15.00)
Net cash used in investing activities	(2,730.77)	(8,633.98)
Cash flow from financing activities		
Proceeds/(Repayment) from current borrowings	15,001.35	(5,932.59)
Interest paid	(2,477.47)	(1,769.52)
Net cash flow (used in) / generated from financing activities	12,523.88	(7,702.11)
Net increase an cash and cash equivalents	11,909.82	(18,144.55)
Cash and cash equivalents as at beginning of the year	42,530.77	60,675.32
Cash and cash equivalents as at end of the year	54,440.59	42,530.77
Figures in bracket represent outflows.		

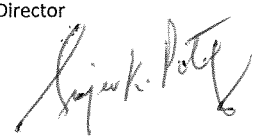
In terms of our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

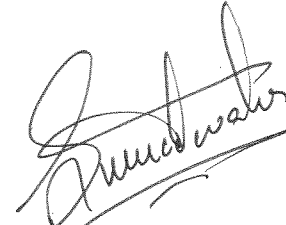

Hormuz Master
Partner
Membership Number: 110797



Rishabh Aditya
Company Secretary

For and on Behalf of the Board of Directors


Aadesh Goyal
Director


Sanjeev Patel
Chief Executive Officer

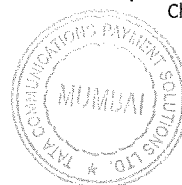

Sumeet Walia
Director


Sanjay Agarwal
Chief Financial Officer

Place : Mumbai

Place : Delhi

Dated: 04 May 2018
S.R. Tata Communications Payment Solutions Limited



Tata Communications Payment Solutions Limited
Statement of changes in equity for the year ended 31 March 2018

A. Equity Share Capital

(₹ in Lakhs)

	No. of Shares	Amount
Balance as at 1 April 2016	66,27,14,284	66,271.43
Converted from CPS to equity	9,17,43,131	9,174.31
Balance as at 31 March 2017	75,44,57,415	75,445.74
Converted from CPS to equity	23,26,34,369	23,263.44
Balance as at 31 March 2018	98,70,91,784	98,709.18

B. Other Equity

(₹ in Lakhs)

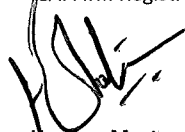
Particulars	Securities premium	Contribution from parent company	Retained earnings	Equity components of other	Other Comprehensive Income	Total Other equity
Balance as at 1 April 2016	28,428.56	2,622.40	(73,728.16)	33,562.32	4.50	(9,110.37)
Loss for the year	-	-	(17,174.15)	-	-	(17,174.15)
Other comprehensive loss for the year	-	-	-	-	(21.16)	(21.16)
Total comprehensive income/(loss) for the year	-	-	(17,174.15)	-	(21.16)	(17,195.31)
Interest payable on debt component of CPS	-	959.59	-	1,914.43	-	2,874.02
Conversion from Debt to Equity	-	-	-	15,937.68	-	15,937.68
Converted to equity shares	4,825.68	-	-	(14,000.00)	-	(9,174.32)
Balance as at 31 March 2017	33,254.25	3,581.99	(90,902.31)	37,414.43	(16.66)	(16,668.30)
Loss for the year	-	-	(18,499.18)	-	-	(18,499.18)
Other comprehensive income for the year	-	-	-	-	56.24	56.24
Total comprehensive income/(loss) for the year	33,254.25	3,581.99	(1,09,401.49)	37,414.43	39.58	(35,111.24)
Interest payable on debt component of CPS	-	1,914.43	-	(1,914.43)	-	0.00
Converted to equity shares	12,236.56	-	-	(35,500.00)	-	(23,263.45)
Balance as at 31 March 2018	45,490.81	5,496.43	(1,09,401.49)	-	39.58	(58,374.68)

See accompanying notes forming part of the financial statements

In terms of our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants

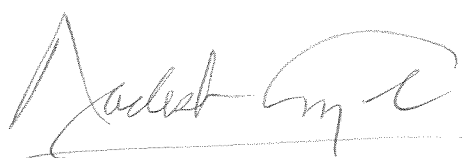
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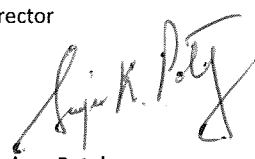
For and on behalf of the Board of Directors

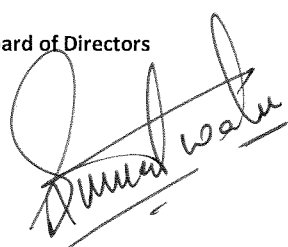

Hormuz Master
Partner
Membership Number: 110797




Rishabh Aditya
Company Secretary


Aadesh Goyal
Director

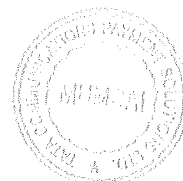

Sanjeev Patel
Chief Executive Officer


Sumeet Walia
Director


Sanjay Agarwal
Chief Financial Officer

Place : Mumbai
Dated: 04 May 2018

Place : Delhi
Dated: 04 May 2018



TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

1. Corporate information

TATA Communications Payment Solutions Limited (the 'Company') was incorporated in India on 28 February 2008 to engage in the business of providing infrastructure managed services and incidental activities to banking sector and has obtained authorization from Reserve Bank of India to set up, own and operate White Label Automated Teller Machine ('ATM') under the Payment and Settlement Systems Act, 2007. The Company operates under the brand name 'Indicash'. The Company is responsible for end-to-end ATM deployment (i.e. Brown label ATM), end-to-end POS enablement, hosted core banking, end to end financial inclusion and card issuance and related managed services and switching services and in turn is paid by the card issuer bank on a pay per use model. The Company is a wholly owned subsidiary of **Tata Communications Limited** (Holding Company).

The Company is domiciled in India and its registered office is at Plot No. C21 & C36 'G' Block Bandra Kurla Complex Mumbai - 400 098.

2. Significant accounting policies

a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

b. Basis of preparation of financial statements

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities which have been measured at fair value or revalued amount.

i. Derivative financial instruments

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

The financial statements are presented in Indian Rupees (INR), and all values are rounded to the nearest lakh (INR 00,000), except when otherwise indicated.

c. Significant accounting estimates and assumptions

The preparation of these financial statements in conformity with recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liability as at the date of the financial statement and the reported amounts of income and expense for the year presented.

Estimate and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

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.



TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations 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.

Useful life of assets

The Company reviews the useful life of assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by 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. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.

Provisions and contingent liabilities are reviewed at each balance sheet date.

d. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- 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.

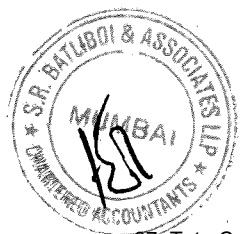
A liability is current when:

- 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

e. Cash and cash equivalents (for purposes of Cash flow statement)

Cash comprises cash on hand (including cash in ATM, cash in vault held with Cash Replenishment Agencies ('CRA') and remittances in transit) and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

f. Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and all incidental expenses incurred on making the asset ready for its intended use.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognises the replaced part, and recognises the new part with its own associated useful life and it is depreciated accordingly only when it is probable that future economic benefits associated with item will flow to the entity and cost can be measured reliably.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date and are carried at cost, comprising direct cost and related incidental expenses.

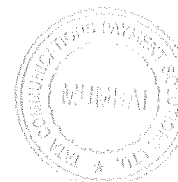
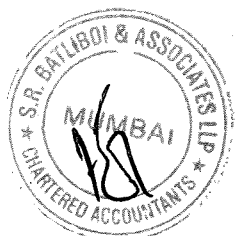
The depreciable amount for property, plant and equipment is the cost of the property, plant and equipment or other amount substituted for cost, less its estimated residual value (wherever applicable). Depreciation on property, plant and equipment has been provided on the straight-line method as per the estimated useful lives. The asset's residual values, estimated useful lives and methods of depreciation are reviewed at each financial year end and any change in estimate is accounted for on a prospective basis.

Estimated useful lives of the assets are as follows

Property, plant and equipment	Estimated Useful life of Assets
a. Plant and Machinery (Refer 1 below)	
- ATM & Cash Dispensers	10 years
- Other Equipment & accessories at ATM Site (UPS, AC, Battery, VSAT)	3 to 8 years
- Other General Plant & Machinery	3 to 8 years
b. Leasehold Improvements	Over the customer contract or term of the lease of the site whichever is lower
c. Furniture*	10 years
d. Office equipment*	5 years
e. Computers & Servers*	3 to 6 years

* On the above categories of assets, the depreciation has been provided as per useful life prescribed in Schedule II to the Companies Act, 2013.

1. In these cases, the life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.
2. Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the Statement of Profit and Loss in the year of occurrence.



TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

g. Intangible assets

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets under development includes expenditure on software development eligible for capitalisation which are carried as Intangible assets under development where such assets are not yet ready for their intended use.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Estimated useful lives of intangible assets are as follows:

Software and Application	3 to 6 years
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An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

h. Impairment of non-financial asset

The carrying values of assets / cash generating units ("CGU") at each balance sheet date are reviewed for impairment, if any indication of impairment exists. The following intangible assets are tested for impairment at the end of each financial year even if there is no indication that the asset is impaired:

- an intangible asset that is not yet available for use; and
- an intangible asset with indefinite useful lives.

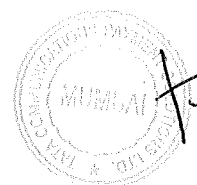
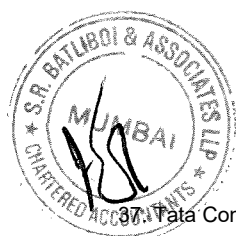
If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at a revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and the value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

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. In determining fair value less costs of disposal, recent market transactions are taken into account.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the Company as a CGU. These budgets and forecast calculations generally cover a significant period. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the significant period.



TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

i. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Leases are classified as finance leases when substantially all of the risks and rewards incidental to ownership of an asset are transferred from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the finance lease

Lessee

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term since the payment to the lessor are structured in a manner that the increase is not expected to be in line with expected general inflation.

j. Employee benefits

Employee benefits include provident fund, gratuity, compensated absences and performance incentives.

i. Short term employment benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives payable within twelve months.

ii. Post-employment benefits

Contributions to defined contribution retirement benefit schemes are recognised as expenses when employees have rendered services entitling them to the contributions.

For defined benefit schemes in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if applicable), excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the period of plan amendment.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises changes in service costs comprising of current service costs, past-service costs, gains and losses on curtailments and non-routine settlements under employee benefit expenses in the Statement of Profit and Loss. The net interest expense or income is recognised as part of finance cost in the Statement of Profit and Loss.



TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

iii. Other long-term employment benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

k. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenues are recognised (net of deduction) on the basis of the contract with the customers:

- a) On the basis of number of transactions in such month or
- b) On the basis of fixed service charge for the number of days of usage.

l. Other income

- a. Dividends from investments are recognized when the right to receive payment is established and no significant uncertainty as to measurability or collectability exists.
- b. Interest income for all financial instruments measured at amortised cost is recorded on accrual basis. Interest income is included in other income in the Statement of Profit and Loss.

m. Taxation

1. Current Income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

2. Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside the Statement of Profit and Loss (either in Other comprehensive income or in equity) is recognised outside the Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other comprehensive income or directly in equity.

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.



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TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

n. Fair value measurement

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of a financial asset or a liability is measured using the assumption that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is 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 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

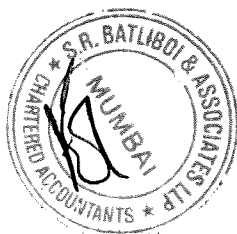
For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole)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

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.

o. Foreign currencies

The Company's financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

Foreign currency transactions are converted into Indian Rupees at rates of exchange approximating those prevailing at the transaction dates or at the average exchange rate for the month in which the transaction occurs. Foreign currency monetary assets and liabilities are outstanding as at the balance sheet date are translated to Indian Rupees at the closing rates prevailing on the balance sheet date. Exchange differences on foreign currency transactions are recognised in the Statement of Profit and Loss.



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TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

p. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

q. Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Financial assets

i. Financial assets at amortised cost

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

ii. Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through Other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

iii. Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

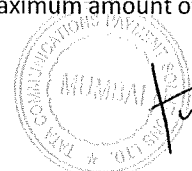
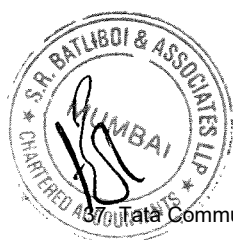
iv. Derecognition

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

- a. The rights to receive cash flows from the asset have expired, or
- b. 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

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.



TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

v. Impairment of financial assets

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

- a. Financial assets measured at amortised cost
- b. Financial assets measured at Fair Value through Other Comprehensive Income

Expected credit losses are measured through a loss allowance at an amount equal to the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at reporting date.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For assessing expected credit loss on a collective basis, financial assets have been grouped on the basis of shared risk characteristics and basis of estimation may change during the course of time due to change in risk characteristics.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

i. Subsequent measurement

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

I. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost on accrual basis.

II. Derecognition

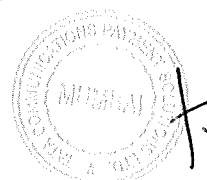
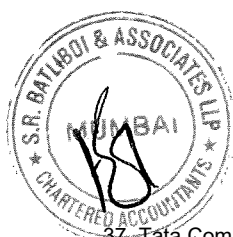
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such 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 Statement of Profit and Loss.

ii. 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.

iii. Derivative financial instruments - Initial and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.



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TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

r. Recent accounting pronouncements

Standards issued but not yet effective

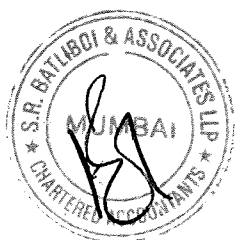
Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new Ind AS which the Company has not applied as they are effective for annual periods beginning on or after 01 April 2018.

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary, including the available transition methods. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. A reliable estimate of the impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.



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TATA Communications Payment Solutions Limited

Notes forming part of the financial statements for the year ended 31 March 2018

3. Property, plant and equipment

(₹ in lakhs)

	Plant and Machinery	Office Equipment	Computers	Furniture and Fixtures	Leasehold Improvements	Total
Cost						
Balance as at 1 April 2016	59,097.48	75.80	880.23	181.94	22,247.35	82,482.80
Additions	5,623.95	3.17	283.88	3.75	1,592.27	7507.02
Disposals	(3,222.07)	-	(3.01)	-	(3,004.99)	(6,230.07)
Balance as at 31 March 2017	61,499.36	78.97	1,161.10	185.69	20,834.63	83,759.75
Additions	2,737.98	0.76	16.56	-	384.67	3,139.97
Disposals	(1,877.11)	-	(91.42)	-	-	(1,968.53)
Assets written off	(3,751.29)	-	-	-	(4,594.51)	(8,345.80)
Balance as at 31 March 2018	58,608.94	79.73	1,086.24	185.69	16,624.79	76,585.39
Accumulated depreciation						
Balance as at 1 April 2016	17,420.84	45.46	569.42	50.43	8,450.24	26,536.39
Depreciation	9,313.60	12.96	153.61	21.12	5,945.91	15,447.20
Disposals	(3,105.57)	-	(2.83)	-	(3,004.99)	(6,113.39)
Balance as at 31 March 2017	23,628.87	58.42	720.20	71.55	11,391.16	35,870.20
Depreciation	9,948.98	17.09	107.56	114.14	4,254.42	14,442.19
Disposals	(1,407.25)	-	(91.42)	-	-	(1,498.67)
Assets written off	(3,733.92)	-	-	-	(4,590.54)	(8,324.46)
Balance as at 31 March 2018	28,436.68	75.51	736.34	185.69	11,055.04	40,489.26
Carrying amount						
Balance as at 31 March 2017	37,870.49	20.55	440.90	114.14	9,443.47	47,889.55
Balance as at 31 March 2018	30,172.26	4.22	349.90	-	5,569.75	36,096.13

4. Intangible assets

(₹ in lakhs)

	Computer Software
Cost	
Balance as at 1 April 2016	430.78
Additions	58.54
Balance as at 31 March 2017	489.32
Additions	12.03
Balance as at 31 March 2018	501.35
Accumulated amortization	
Balance as at 1 April 2016	190.05
Amortisation Expense	94.92
Balance as at 31 March 2017	284.97
Amortisation Expense	95.63
Balance as at 31 March 2018	380.60
Carrying amount	
Balance as at 31 March 2017	204.35
Balance as at 31 March 2018	120.75



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TATA Communications Payment Solutions Limited

Notes forming part of the financial statements for the year ended 31 March 2018

5. Other financial assets

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
A. <u>Non-Current</u>		
Security deposits		
Unsecured, considered good	2,310.52	2,813.33
Unsecured, considered doubtful	49.73	55.59
	2,360.25	2,868.92
Less: Allowance for doubtful security deposits	(49.73)	(55.59)
Total (A)	2,310.52	2,813.33
B. <u>Current</u>		
Fair value of Foreign currency forward contracts	0.36	0.02
Advance to vendors and contractors		
Unsecured, considered good	704.01	1,742.61
Unsecured, considered doubtful	169.50	169.50
	873.87	1,912.13
Less: Allowance for doubtful advances	(169.50)	(169.50)
Total (B)	704.37	1,742.63
(A+B)	3,014.89	4,555.96

6. Income tax assets (net)

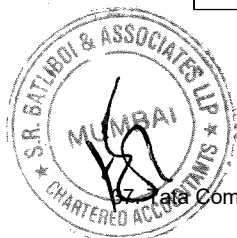
(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Tax refund receivable	731.58	1,639.90
Total	731.58	1,639.90

7. Other assets

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
A. <u>Non-current</u>		
a. Prepaid expenses – Unsecured, Considered good	77.14	112.20
b. Capital Advances – Unsecured, Considered good	150.00	150.00
Total (A)	227.14	262.20
B. <u>Current</u>		
a. Taxes recoverable (net) – Considered good	677.44	557.56
b. Advance to Vendors – Unsecured, Considered good	481.69	593.99
c. Prepaid expenses – Unsecured, Considered good	156.93	172.49
d. Interest Receivable – Unsecured, Considered good	1.20	0.01
e. Advances to Employees – Unsecured, Considered good	5.26	4.54
Total (B)	1,322.52	1,328.59
(A+B)	1,549.66	1,590.79



TATA Communications Payment Solutions Limited

Notes forming part of the financial statements for the year ended 31 March 2018

8. Trade receivables

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
a. Unsecured, considered good	7,544.42	9,954.61
b. Unsecure, considered doubtful	1,962.58	1,459.10
	9,507.00	11,413.71
Less: Allowance for doubtful debts (expected credit loss allowance) (Refer note 33 (b))	(1,962.58)	(1,459.10)
Total	7,544.42	9,954.61

9. Cash and cash equivalents

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
a. Balances at ATM	43,002.78	28,787.09
b. Remittance in transit	3,622.20	4,909.21
c. Cash in vault	4,145.38	5,842.45
d. Balances with banks	3,670.23	2,992.02
Total	54,440.59	42,530.77

10. Bank balances (other than note 9 above)

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Other bank balances:		
Restricted bank deposits (Refer Note i below)	15.00	15.00
Total	15.00	15.00

i. ₹ 15 lakhs (2017: ₹ 15 lakhs) represents the amount withheld towards legal matters.



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TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

11. Equity share capital

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
a. Authorised:		
1,000,000,000 (2017: 8,00,000,000) Equity Shares of Rs.10 each (Note a and b)	100,000.00	80,000.00
110,00,00,000 (2017: 11,00,000,000) 12% Convertible Preference Shares of face value Rs. 10/- each	110,000.00	110,000.00
	210,000.00	190,000.00
b. Issued, Subscribed and Paid up:		
987,091,784 (2017: 754,457,415) Equity Shares of ₹ 10 each, fully paid up	98,709.18	75,445.74
Total	98,709.18	75,445.74

- a. During the financial year ended 31 March 2018, the Company has allotted 232,634,369 equity shares at a premium of ₹ 5.26 each against 355,000,000 12% Convertible Preference Shares (CPS) of ₹ 10/- each, vide resolution passed by the Board of Directors in the meeting held on 18 July 2017.
- b. During the financial year ended 31 March 2017, the Company has allotted 91,743,131 equity shares at a premium of ₹ 5.26 each against 140,000,000 12% Convertible Preference Shares (CPS) of ₹ 10/- each, vide resolution passed by the Board of Directors in the meeting held on 22 December 2016.
- c. Number of shares held by each shareholder holding more than 5% of the issued share capital:

Tata Communications Limited (Holding Company)	As at 31 March 2018		As at 31 March 2017	
	No of shares	Percentage	No of shares	Percentage
Equity shares	987,091,784	100%	754,457,415	100%

d. Terms/Rights attached to shares:

The Company has only one class of equity shares having a face value of ₹ 10 per share. Equity shareholders are entitled to one vote per share at any General Meeting of Shareholders.

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



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TATA Communications Payment Solutions Limited

Notes forming part of the financial statements for the year ended 31 March 2018

12. Other equity

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
a. Retained earnings	(1,09,401.50)	(90,902.31)
b. Other comprehensive income (Refer note i)	39.58	(16.66)
c. Securities premium (Refer note ii)	45,490.81	33,254.25
d. Equity component of other financial instruments (Refer note iii)	-	37,414.43
e. Contribution from parent company (Refer note iv)	5,496.43	3,581.99
Total	(58,374.68)	(16,668.30)

i. Other Comprehensive Income

This represents the cumulative gains and losses arising on remeasurement of defined employee benefit plans.

ii. Securities premium

It is the additional amount which shareholder paid for issued shares that was in excess of the face value of those shares. This premium can be used to write off equity related expenses and issue of bonus shares.

iii. Equity component of other financial instruments

This represents equity component on CPS which have been fully converted into equity shares in the current year.

iv. Contribution from parent company

The interest on the debt component of the preference shares is disclosed as contribution from parent company on conversion to equity shares.

13. Provisions

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
A. Non-current		
Provision for employee benefits (Refer note i below)		
a. Provision for gratuity	197.00	217.98
b. Provision for compensated absences	112.00	221.31
Total (A)	309.00	439.29
B. Current		
Provision for employee benefit (Refer note i below)		
a. Provision for compensated absences	19.47	25.07
Total (B)	19.47	25.07
(A+B)	328.47	464.36

- i. The provision for employee benefits includes gratuity, annual leave and leave entitlements accrued and compensation claimed by employees. For other disclosures, refer note 27.



TATA Communications Payment Solutions Limited

Notes forming part of the financial statements for the year ended 31 March 2018

14. Other liabilities

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
A. <u>Non-current</u>		
Accrued employee benefits	121.70	113.96
Total (A)	121.70	113.96
B. <u>Current</u>		
a. Accrued payroll	626.48	595.81
b. Statutory liabilities	223.60	140.20
c. Deferred revenue	6.88	-
d. Other liabilities	18.07	19.04
Total (B)	875.03	755.05
(A+B)	996.73	869.01

15. Borrowings

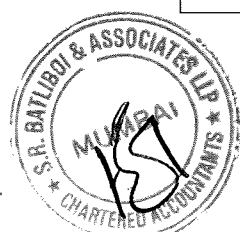
(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
<u>Current</u>		
Loans repayable on demand (from banks)		
a. Bank overdraft (Rate of interest per annum: 8.25% to 10.60%; 2017: 8.30% to 10.80%)	45,700.14	26,798.79
b. Working capital demand loan (Rate of interest: NA; 2017: 8.05%)	-	3,900.00
Total	45,700.14	30,698.79

16. Trade and other payables

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
A Total outstanding dues of micro enterprises and small enterprises (Refer note 31)	78.78	582.62
(I)	78.78	582.62
B Total outstanding dues of creditors other than micro enterprises and small enterprises		
i. Trade payables	13,721.43	15,708.00
ii. Payable to related parties	1,061.64	308.27
(II)	14,783.06	16,016.27
Total (I+II)	14,861.84	16,598.89



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TATA Communications Payment Solutions Limited

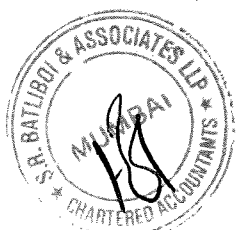
Notes forming part of the financial statements for the year ended 31 March 2018

17. Other financial liabilities

	(₹ in lakhs)	
	As at 31 March 2018	As at 31 March 2017
Current		
a. Capital goods		
i. Other	1,282.25	1,593.22
ii. Payable to related parties	18.67	63.00
b. Customer deposit	1.80	5.60
c. Bank overdraft	18.57	-
d. Other payables	2.11	3.07
Total	1,323.40	1,664.89

18. Other income

	(₹ in lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
a. Interest on income tax refund	232.66	165.43
b. Gain on investments carried at fair value through profit or loss	14.84	32.87
c. Foreign exchange loss (net)	(2.35)	(0.90)
d. Provision/Liabilities no longer required written back	256.20	119.64
e. Others	78.09	50.57
Total	579.44	367.61



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TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

19. Operating and other expense

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
a. Network cost	1,431.00	1,523.34
b. Cash management fees	9,709.87	11,435.86
c. Caretaker charges	1,708.24	5,438.32
d. Lease rental		
i. Site rent charges	8,350.58	9,679.57
ii. Rent for hired building	465.83	476.85
e. Electricity expenses	927.52	4,056.50
f. Consumables	406.26	626.58
g. Cash handling loss	186.78	258.58
h. Repairs and maintenance	5,444.12	6,937.07
i. Legal and professional fees	851.19	529.72
j. Services rendered by agencies	4,069.09	5,338.62
k. Rates and taxes	47.03	78.08
l. Travelling expenses	439.59	439.06
m. Advertising and publicity	65.65	150.78
n. Insurance	212.22	220.25
o. Loss/(Gain) on write off or sale of property, plant and equipment and intangible assets (net)	(36.51)	40.93
p. Freight and transport expenses	1,050.57	422.48
q. Bad debts	166.90	424.33
r. Allowance for doubtful trade receivables	503.48	(311.67)
s. Allowance for doubtful advances	(5.86)	56.45
t. Telephone expenses	70.73	82.68
u. Printing, postage and stationery	26.44	31.87
v. Management fees WLA	548.37	695.43
w. Other expenses (refer note i below)	294.28	213.85
Total	36,933.37	48,845.53

i. Other expenses include auditor's remuneration as follows:

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Auditor's remuneration and expenses (excluding goods and service tax)		
a. Audit fees	15.00	18.00
b. Tax Audit fees	3.00	3.50
c. Other professional services	0.75	10.67



TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

20. Employee benefit expense

	(₹ in lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
a. Salaries and related costs	2,969.73	3,093.20
b. Contributions to provident and other funds (Refer note 27)	119.28	125.70
c. Gratuity expense (Refer note 27)	50.82	38.40
d. Staff welfare expenses	195.08	172.69
Total	3,334.91	3,429.99

21. Finance costs

	(₹ in lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
a. Interest on bank overdraft	1,603.23	1,698.17
b. Interest on Working capital demand loan	354.88	68.60
c. Interest on commercial papers*	543.39	-
d. Interest on debt component of convertible preference shares	-	706.42
e. Others	5.25	61.41
Total	2,506.75	2,534.60

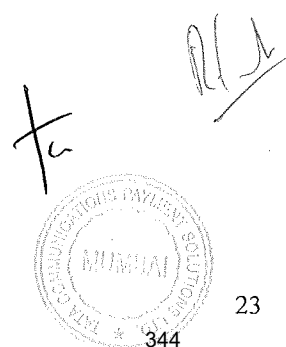
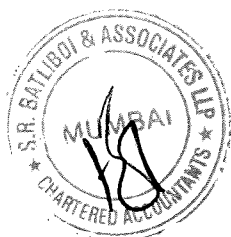
* Interest on commercial paper pertains to commercial paper issued and redeemed during the year ended 31 March 2018

22. Depreciation and amortisation expense

	(₹ in lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
a. Depreciation for the year on property, plant and equipment	14,442.19	15,447.20
b. Amortisation for the year on intangible assets	95.63	94.92
Total	14,537.82	15,542.12

23. Staff cost optimisation

As part of its initiative to enhance the long-term efficiency of the business, during the previous year the Company undertook organisational changes to align to the Company's current and prospective business requirements. These changes involved certain positions in the Company becoming redundant and the Company incurred a one-time charge of ₹ 57.38 lakhs (2017: ₹ Nil)



TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

24. Deferred taxes

The Company has restricted recognition of deferred tax assets resulting from the carry forward tax losses and other timing differences to the extent of deferred tax liabilities, as the company has accumulated tax losses and the conditions prescribed by Ind AS are not met.

Unrecognised deductible temporary differences, unused tax losses and unused tax credits

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following		
a. Business loss	34,265.18	32,027.72
b. Unabsorbed depreciation	39,823.74	31,154.10
Total	74,088.92	63,181.82

The carried forward losses will expire as below

Particulars	Expiration of losses
a. Business losses	Between 2025 to 2026
b. Unabsorbed depreciation	Unlimited

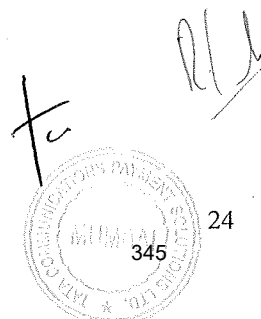
25. Segment reporting

The Board of Directors of the Company constitute the Chief Operating Decision Makers ("CODM") which allocate resources to and assess the performance of the Company. The Company is engaged in end-to-end ATM deployment, end-to-end POS enablement, hosted core banking, end to end financial inclusion and card issuance and related managed services, switching services to banking sector. Considering the nature of the Company's business and operations, there are no other reportable segments in accordance with the requirements of Indian Accounting Standard 108- 'Operating Segments' prescribed under section 133 of the Companies Act, 2013. Further, the Company provides services only in India and accordingly, no disclosures are required under geographical segment reporting.

26. Earnings per share

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Net Loss after tax used attributable to the equity shareholders (A)	(18,499.18)	(17,174.15)
Number of equity shares outstanding at the end of the year	98,70,91,784	754,457,415
Weighted average number of shares outstanding during the year (B)	91,82,57,505	685,970,018
Basic and diluted earnings per share (₹ per equity share of ₹ 10 each) (A/B)	(2.01)	(2.50)



TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

27. Employee Benefits

i. Defined Contribution Plan

Provident Fund

The Company makes contribution towards Provident fund under a defined contribution retirement benefit plan for employees. The Provident Fund is administered by the Regional Provident Fund Commissioner. Under this Scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits. Having regard to the contribution made and return on the same, the Company does not expect any deficiency in the foreseeable future. There has also been no such deficiency since the inception of the Fund.

Provident fund contributions amounting to ₹ 119.07 lakhs (2017: ₹ 125.57 lakhs) have been charged to the Statement of Profit and Loss under contributions to provident and other funds (Refer note 20)

ii. Defined Benefit Plan

Gratuity

The plan provides for lump sum payments to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The cost of providing benefits for defined benefit schemes is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date.

These plans typically expose the Company to actuarial risk such as interest rate risk and salary risk.

Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase
Salary risk	Higher than expected increases in salary will increase the defined benefit obligation

The most recent actuarial valuation of the defined benefit obligation were carried out as at 31 March 2018 by an accredited actuary.

The principal assumptions used for the purposes of the actuarial valuations were as follows

	As at 31 March 2018	As at 31 March 2017
<u>Principal Actuarial assumptions</u>		
Discount rate	7.50%	7.20%
Salary Escalation Rate	7.00%	10%
<u>Withdrawal rate</u>		
Less than 5 years	15%	15%
5 years and more	8%	8%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimates of future compensation cost considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors.



TATA Communications Payment Solutions Limited

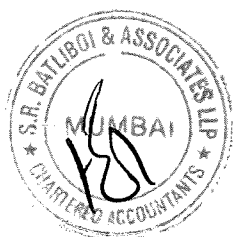
Notes forming part of the financial statements for the year ended 31 March 2018

Amounts recognised in the statement of profit and loss in respect of these defined benefit plans are as follows

	(₹ in lakhs)	
	As at 31 March 2018	As at 31 March 2017
Expenses recognised in the statement of profit and loss		
a. Current service cost	38.42	38.40
b. Past service cost	12.40	-
c. Interest cost	14.74	13.52
Components of defined benefit costs recognized in the Statement of Profit and Loss	65.56	51.92
Remeasurement on the net defined benefit liability		
a. Actuarial (gains) / losses arising from Defined benefit obligation assumption changes	(46.18)	13.72
b. Actuarial (gains) / losses arising from the changes in experience adjustments	(10.06)	7.44
Components of defined benefit costs recognized in other comprehensive income	(56.24)	21.16

The details in respect of the unfunded amounts recognised in the balance sheet for these defined benefit schemes are as under

	(₹ in lakhs)	
	As at 31 March 2018 (Unfunded)	As at 31 March 2017 (Unfunded)
I Amount recognized in the balance sheet		
Liability at the end of the year	197.00	217.98
Net liability in the balance sheet	197.00	217.98
Non-current provision (Refer note 13A)	197.00	217.98
II. Change in the Defined Benefit Obligation (DBO)		
Present value of DBO at the beginning of the year	217.98	195.60
Current service cost	50.82	38.40
Interest cost	14.74	13.52
Liability transfer in/(out) from/to other Company	(3.70)	(1.90)
Amount recognized in Other Comprehensive income	(56.24)	21.16
Benefits paid	(26.60)	(48.80)
Present value of DBO at the end of the year	197.00	217.98



TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

A quantitative sensitivity analysis for significant assumptions as at 31 March 2018 and 31 March 2017 is as shown below

Significant actuarial assumptions for the determination of the defined obligation are discount rate, salary escalation rate and withdrawal rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

1. Discount rate

	(₹ in lakhs)	
	As at 31 March 2018	As at 31 March 2017
Effect on DBO due to 1% increase	(14.83)	(19.18)
Effect on DBO due to 1% decrease	17.03	22.32

2. Salary escalation rate

	(₹ in lakhs)	
	As at 31 March 2018	As at 31 March 2017
Effect on DBO due to 1% increase	15.98	14.74
Effect on DBO due to 1% decrease	(14.58)	(14.44)

3. Withdrawal rate

	(₹ in lakhs)	
	As at 31 March 2018	As at 31 March 2017
Effect on DBO due to 5% increase	0.26	(11.26)
Effect on DBO due to 5% decrease	(2.92)	13.79

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Maturity profile of defined benefit plan

	(₹ in lakhs)
	As at 31 March 2018
a. March 31, 2019	20.44
b. March 31, 2020	19.95
c. March 31, 2021	23.26
d. March 31, 2022	26.60
e. March 31, 2023	28.93
f. March 31, 2024 to March 31, 2028	196.53

There has been no change in the process used by the Company to manage its risks from prior years.



TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

iii. Leave plan and compensated absences

Leave unavailed of by eligible employees may be carried forward/ encashed by them/their nominees in the event of death or permanent disablement or resignation, subject to a maximum carry forward/ encashment of leave for 60 days. During the previous year, this was subject to a maximum leave of 120 days in addition to accumulated leave balance available in accumulated quota.

The liability for compensated absences as at the year-end is ₹ 131.47 lakhs (2017: ₹ 246.38 lakhs) as shown under non-current provisions ₹ 112.00 lakhs (2017: ₹ 221.31 lakhs) and current provisions ₹ 19.47 lakhs (2017: ₹ 25.07). Compensated absences expenses amounting to ₹ (40.60) lakhs (2017: ₹ 48.04 lakhs) have been charged to the Statement of Profit and Loss under salaries and related costs in note 20 "Employee Benefit Expenses".

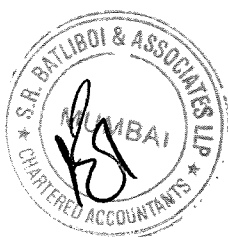
28. Related party transactions

i. Names of related parties and nature of relationship

Category of related parties	Names
1 Holding Company	Tata Communications Limited
2 Fellow Subsidiaries*	STT Global Data Centers India Private Limited (Formerly known as Tata Communications Data Centers Private Limited up to 18 October 2016) Tata Communication (Ireland) Limited Tata Communication (UK) Limited Tata Communications (Canada) Limited Tata Communications (America) Inc. Tata Communications (Netherlands) B.V. Tata Communications (Middle East) FZ-LLC Tata Communications International Pte Limited
3 Associate of Holding Company	STT Global Data Centers India Private Limited w.e.f. 19 October 2016
4 Affiliates of Holding Company	TRIL Infopark Limited Tata Consultancy Services Limited Tata Teleservices Limited Tata Asset Management Limited

*Where transactions have taken place / there are balances

Reimbursement made of expenses incurred by related party for business purpose of the Company, or reimbursement received for expenses incurred by the Company on behalf of a related party shall not be deemed related party transactions.



TATA Communications Payment Solutions Limited

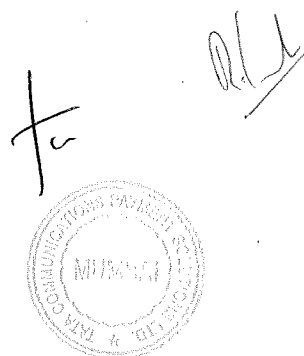
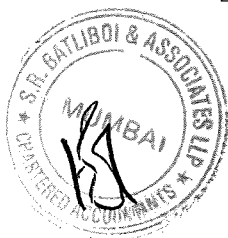
Notes forming part of the financial statements

for the year ended 31 March 2018

ii. Summary of transactions with related parties

(₹ in lakhs)

Particulars	Holding company & its associates	Fellow subsidiaries	Affiliates of holding company	Total
Revenue from operations			21.73	21.73
			-	-
Shared service recovery	16.69	23.74		40.43
	-	-		-
Operating and other expenses				
Network cost	888.53	-	49.17	937.70
	713.02	118.34	41.24	872.60
Rent on hired building	442.96		1.38	444.34
	447.78		3.41	451.19
Services rendered by agencies	216.26	7.79		224.05
	201.73	-		201.73
Site rent charges			0.14	0.14
			9.38	9.38
Telephone expenses			8.67	8.67
			21.78	21.78
Other expenses	32.23	3.64		35.87
	45.45	1.16		46.61
Finance costs				-
	706.42			706.42



TATA Communications Payment Solutions Limited

Notes forming part of the financial statements for the year ended 31 March 2018

iii. Balances with related parties as at 31 March 2018

(₹ in lakhs)

Particulars	Holding company & its associates	Fellow subsidiaries	Affiliates of holding company	Total
Trade and other payables	970.80	16.74	74.10	1,061.64
	248.30	20.23	39.74	308.27
Other financial liabilities	-		18.67	18.67
	57.82		5.18	63.00
Trade Receivables		23.82	0.45	24.27
		0.09	-	0.09
Other current assets			1.80	1.80
			1.80	1.80

#Amounts in italics denote previous year figures

29. Operating lease arrangements

As lessee

Operating lease payments represent rentals payable by the Company for ATM sites.

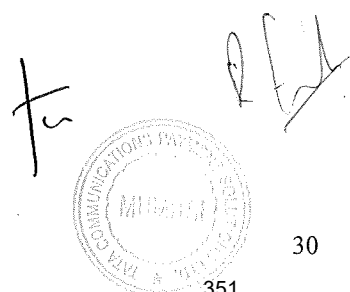
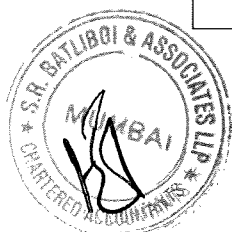
(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Minimum lease payments under operating leases recognized as expense in the year	8,350.58	9,679.57

At the balance sheet date, minimum lease payments under operating leases fall due as follows

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Due not later than one year	6,435.60	6,812.13
Due later than one year but not later than five years	12,089.98	18,022.80
Later than five years	3.87	728.03
Total	18,529.45	25,562.96



TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

30. Contingent liabilities and commitments

I. Contingent liabilities

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
a. Entry Tax / Value Added Tax / Sales Tax/Income Tax (Refer Note i)	152.17	157.48

- i. The Company has various claims from authorities for entry tax, Value Added Tax and sales taxes related to various states on account of movement of ATM machines and related equipment's from one state to another. The Company has contested the claims with the relevant authorities and preferred appeals which are pending. The Company believes this claims are not probable and would not result in outflow.

II. Commitments

Capital commitments

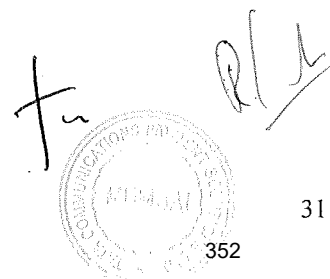
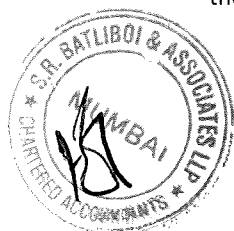
Estimated amount of contracts remaining (net of advances) to be executed on capital account not provided for ₹ 690.61 lakhs (2017: ₹ 4,455.81 lakhs).

31. Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
a. Principal amount remaining unpaid to any supplier beyond scheduled date as at the end of the accounting year	74.11	553.92
b. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	4.67	28.70
c. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
d. The amount of interest due and payable for the year	4.67	28.70
e. The amount of interest accrued and remaining unpaid at the end of the accounting year	4.67	28.70
f. The amount of further interest due and payable even in the succeeding year, until such date when the interest's dues as above are actually paid	-	-
g. Total outstanding dues of micro and small enterprises	78.78	582.62

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.



TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

32. Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(q) to the financial statements.

Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2018 is as follows

			(₹ in lakhs)
	Derivatives instrument	Amortised cost	Total carrying value
Financial Assets:			
Other financial assets	0.36	3,014.53	3,014.89
Trade receivables		7,544.42	7,544.42
Cash and Cash equivalents		54,440.59	54,440.59
Other bank balances		15.00	15.00
Total	0.36	65,014.54	65,014.90
Financials Liabilities:			
Borrowings		45,700.14	45,700.14
Other financial liabilities		1,323.40	1,323.40
Trade payables		14,861.84	14,861.84
Total		61,885.38	61,885.38

The carrying value of financial instruments by categories as at 31 March 2017 is as follows

			(₹ in lakhs)
	Derivatives instrument	Amortised cost	Total carrying value
Financial Assets:			
Other financial assets	0.02	4,555.94	4,555.96
Trade receivables		9,954.61	9,954.61
Cash and Cash equivalents		42,530.77	42,530.77
Other bank balances		15.00	15.00
Total	0.02	57,056.32	57,056.34
Financials Liabilities:			
Borrowings		30,698.79	30,698.79
Other financial liabilities		1,664.89	1,664.89
Trade payables		16,598.89	16,598.89
Total		48,962.57	48,962.57

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payables as at 31 March 2018 and 31 March 2017 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.



TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of following three levels

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The investments included in level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

- (i) The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required)

Financial assets	Fair value as at		(₹ in lakhs)
	31 March 2018	31 March 2017	Fair value hierarchy
Financial Assets			
Foreign exchange forward contracts	0.36	0.02	Level 2

33. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include loans, trade and other receivables, current investments and cash and cash equivalents that derive directly from its operations. The Company has investments in mutual funds on which gain or loss on fair value is recognised through profit or loss and also enters into derivative transactions.

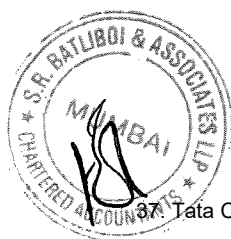
The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

The Company's senior management ensures that 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. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the company's policy that no trading in derivatives for speculative purposes may be undertaken. The Senior Management reviews and agrees policies for managing each of these risks, which are summarised below

a. 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. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2018 and 31 March 2017.



TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post- retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analysis

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018 and 31 March 2017.

b. 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) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

In determining the allowances for doubtful trade receivables, the Company has used a simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables as mentioned below:

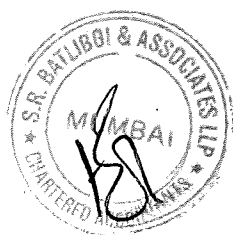
(₹ in lakhs)

Ageing of receivables net of provisions	As at 31 March 2018	As at 31 March 2017
Within credit period	2,933.64	5,875.22
31-90 days	1,582.43	1,672.71
91-180 days	1,464.06	1,675.97
181-360 days	1,552.11	720.99
More than 360 days	12.18	9.72
Total	7,544.42	9,954.61

Movement in the expected credit loss allowance

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Balance at beginning of the year	1,459.10	1,770.77
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses (net)	670.39	112.66
Less: Bad debts	(166.90)	(424.33)
Balance at the end of the year	1,962.58	1,459.10



TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

c. Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and preference shares.

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

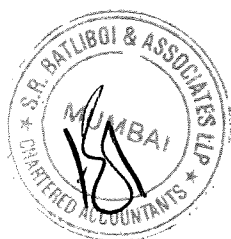
(₹ in lakhs)

As at 31 March 2018	On demand	0 to 12 months	1 to 5 years	>5 years	Total
Trade and other payables	3,500.98	11,383.34	-	-	14,884.32
Capital creditors	1,263.35	37.57	-	-	1,300.92
Current borrowings	45,700.14	-	-	-	45,700.14

(₹ in lakhs)

As at 31 March 2017	On demand	0 to 12 months	1 to 5 years	>5 years	Total
Trade and other payables	1,814.28	14,793.28	-	-	16,607.56
Capital creditors	1,499.50	156.72	-	-	1,656.22
Current borrowings	26,798.79	3,900.00	-	-	30,698.79

34. The Company has incurred a loss of ₹ 18,499.18 lakhs during the year ended 31 March 2018, has accumulated losses of ₹ 109,401.49 lakhs, which has partly eroded its net worth. The Company's operations were significantly impacted on account of demonetisation during the previous year. The Management has taken steps to enable business recovery in the current year which has resulted in positive cash flows from operations during the year ended 31 March 2018. The Company is confident of generating positive cash flows in the future, which would enable it to meet its operational and capital requirement, as and when it falls due. Accordingly, these financial statements are prepared on going concern basis.



Handwritten signature.



TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

35. Events after reporting period

There are no subsequent events between the year ended 31 March 2018 and signing of financial statements as on 04 May 2018 which have material impact on the financials of the Company.

36. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 04 May 2018.

37. Previous year's figures have been regrouped/ re-arranged where necessary to confirm to current year's classification / disclosure.

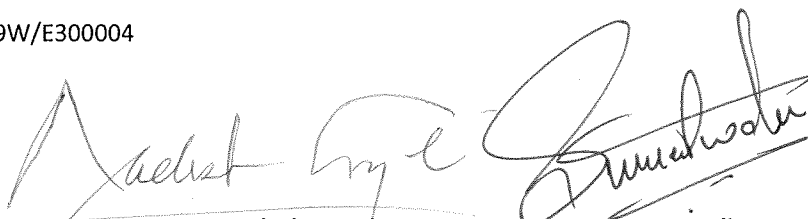
The figures of previous year were audited by a firm of Chartered Accountants other than S.R. Batliboi & Associates LLP.

In terms of our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004



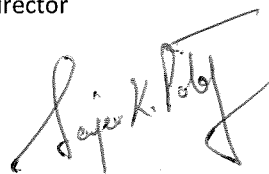
Hormuz Master
Partner
Membership Number: 110797

For and on behalf of Board of Directors

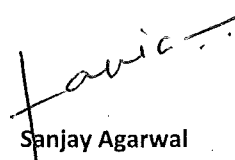


Aadesh Goyal
Director

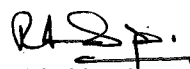
Sumeet Walia
Director



Sanjeev Patel
Chief Executive Officer



Sanjay Agarwal
Chief Financial Officer



Rishabh Aditya
Company Secretary

Place: Mumbai
Date: 04 May 2018

Place: Delhi
Date: 04 May 2018



INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Communications Transformation Services Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Tata Communications Transformation Services Limited (the 'Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the 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.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) (Amendment) Rules, 2017, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 of the standalone financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 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 standalone 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 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 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 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 financial statements.



Tata Communications Transformation Services Limited
Page 2 of 8

Opinion

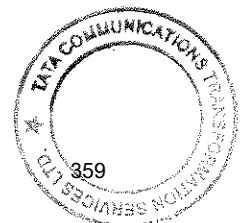
In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,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

Other Matter

The financial statements of the Company for the year ended March 31, 2017, included in these standalone financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on April 20, 2017.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 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 it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and 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 financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) (Amendment) Rules, 2017, as amended;
 - (e) On the basis of written representations received from the Directors as on March 31, 2018, and taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2018, from being appointed as a Director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 31 to the standalone financial statements;



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Tata Communications Transformation Services Limited

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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

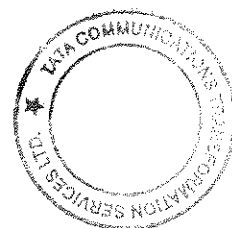


per Hormuz Master
Partner

Membership Number: 110797

Place: Mumbai

Date: May 4, 2018



Tata Communications Transformation Services Limited
Page 4 of 8

Annexure 1 referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our Report of even date

Re: Tata Communications Transformation Services Limited (the 'Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets were physically verified by the management during the previous year in accordance with a planned programme of verifying them once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products/services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, value added tax, goods and service tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, value added tax, goods and service tax, sales tax, duty of custom, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income tax, sales tax, service tax, value added tax and other statutory dues on account of any dispute, are as follows:



Name of the Statute	Nature of Dues	Amount (Rs Lakhs)	Period to which amount relates	Forum where disputes pending
The Income tax act, 1961	Income Tax	202.65	2007-08	Income Tax Appellate Tribunal, Mumbai
The Income tax act, 1961	Income Tax	351.46	2011-12	The Commissioner of Income Tax (Appeals), Mumbai
The Income tax act, 1961	TDS	59.22	2006-07	The Commissioner of Income Tax (Appeals), Mumbai
The Income tax act, 1961	TDS	49.06	2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2015-16, 2016-17	Assessing officer, Mumbai

- (viii) According to information and explanations, given to us and based on the documents and records produced to us, the Company had not defaulted in repayment of dues to any financial institution or bank. The Company has not issued any debentures.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Act.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Tata Communications Transformation Services Limited

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(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



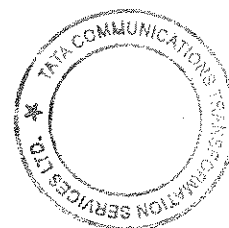
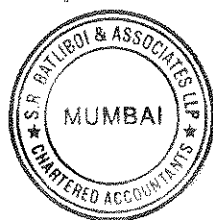
per Hormuz Master

Partner

Membership Number: 110797

Place: Mumbai

Date: May 4, 2018



Tata Communications Transformation Services Limited

Page 7 of 8

Annexure 2 referred to in paragraph 2 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date.

Re: Tata Communications Transformation Services Limited (the 'Company')

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 Tata Communications Transformation Services Limited (the 'Company') as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

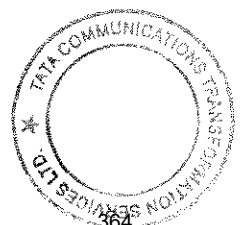
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the 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 Act.

Auditor's 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 as specified under section 143(10) of the Act, to the extent 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 judgement, 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 internal financial controls system over financial reporting.



Tata Communications Transformation Services Limited
Page 8 of 8

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.

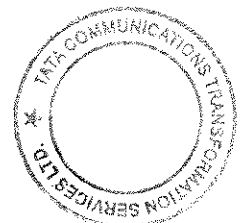
Opinion

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 March 31, 2018, 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 S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004



per Hormuz Master
Partner
Membership Number: 110797



Place: Mumbai
Date: May 4, 2018

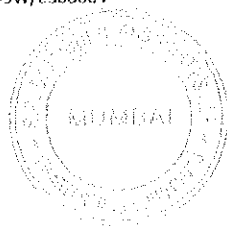
Tata Communications Transformation Services Limited				
Standalone Balance Sheet as at 31 March 2018				
	Particulars	Notes	As at 31 March 2018 ₹ in Lakhs	As at 31 March 2017 ₹ in Lakhs
A	ASSETS			
(1)	Non-current assets			
(a)	Property, plant and equipment	3	3,263.79	3,536.64
(b)	Capital work-in-progress		579.93	443.25
(c)	Intangible assets	4	1,313.48	461.91
(d)	Intangible assets under development		0.40	1,309.26
(e)	Financial assets			
	(i) Investments	5A	110.66	33.74
	(ii) Other financial assets	6A	29.04	33.17
(f)	Deferred tax assets (net)	7	2,243.79	1,947.43
(g)	Income tax assets (net)	8	5,375.60	4,760.35
(h)	Other assets	9A	448.50	11.35
	Total non-current assets		13,365.19	12,537.10
(2)	Current assets			
(a)	Financial assets			
	(i) Investments	5B	2,130.12	
	(ii) Trade receivables	10	44,695.49	50,579.29
	(iii) Cash and cash equivalents	11	1,687.15	780.06
	(iv) Other financial assets	6B	114.83	147.11
(b)	Other assets	9B	1,302.98	946.90
	Total current assets		49,930.57	52,453.36
	Total assets		63,295.76	64,990.46
B	EQUITY AND LIABILITIES			
I	Equity			
(a)	Equity share capital	12	50.00	50.00
(b)	Other equity	13	33,091.61	24,735.85
	Total equity		33,141.61	24,785.85
II	Liabilities			
(1)	Non-current liabilities			
(a)	Provisions	14A	1,306.82	3,162.86
(b)	Other liabilities	15A	323.23	366.52
	Total non-current liabilities		1,630.05	3,529.38
(2)	Current liabilities			
(a)	Financial liabilities			
	(i) Borrowings	16		4,594.88
	(ii) Trade and other payables			
	1. Total outstanding dues of micro enterprises and small enterprises	17(A)	294.05	591.50
	2. Total outstanding dues of creditors other than micro enterprises and small enterprises	17(B)	19,727.24	23,881.61
	(iii) Other financial liabilities	18	494.40	1,264.54
(b)	Provisions	14B	243.27	314.30
(c)	Current Tax liabilities (net)	19	5.14	106.06
(d)	Other liabilities	15B	7,760.00	5,922.34
	Total current liabilities		28,524.10	36,675.23
	Total equity and liabilities		63,295.76	64,990.46

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants

ICAI Firm Registration Number: 101049W/E3000004

Normuz Master
Partner
Membership Number: 110797



Place : Mumbai

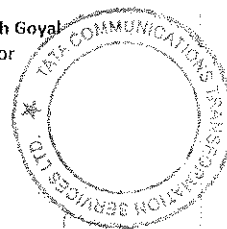
For and on behalf of the Board of Directors

Madhusudhan M R
Managing Director

Aadesh Goyal
Director

Umasree Kotamraju
Chief Financial Officer

Place : Delhi



Tata Communications Transformation Services Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2018

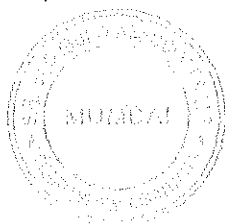
Particulars	Notes	Year ended	
		31 March 2018 ₹ in Lakhs	31 March 2017 ₹ in Lakhs
I Revenue from operations		1,07,775.66	1,01,844.75
II Other Income	20	850.41	(31.38)
III Total Income (I + II)		1,08,626.07	1,01,813.37
IV Expenses:			
Operating and other expense	21	52,961.54	49,454.97
Employee benefits expense	22	39,695.54	40,596.78
Finance costs	23	221.86	254.89
Depreciation and amortisation expense	24	1,954.05	1,873.19
Total Expenses		94,832.99	92,179.83
V Profit before exceptional items and tax (III - IV)		13,793.08	9,633.54
VI Exceptional Items	25	1,787.53	-
VII Profit before tax (V - VI)		12,005.55	9,633.54
VIII Tax expense			
(a) Current tax	26	4,747.96	3,900.07
(b) Deferred tax		(573.84)	(541.71)
IX Profit for the year (VII - VIII)		7,831.43	6,275.18
X Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plans		801.82	(180.18)
(ii) Tax on above		(277.49)	62.36
Other comprehensive income/(loss) for the year, net of tax		524.33	(117.82)
XI Total comprehensive income for the year, net of tax (IX + X)		8,355.76	6,157.36
Basic/Diluted Earnings per share (of ₹ 10 each)	28	1,566.29	1,255.04

See accompanying notes forming part of the standalone financial statements

For and on behalf of the Board of Directors

In terms of our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Hemant Master
Partner
Membership Number: 110797



Madhusudan M R
Managing Director

Aadesh Goyal
Director

Umasree Kotamraju
Chief Financial Officer

Place : Mumbai
Dated: 04 May 2018

Place : Delhi
Dated: 04 May 2018



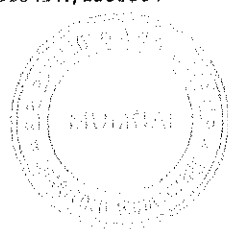
Tata Communications Transformation Services Limited
Standalone Cash Flow Statement for the year ended 31 March 2018

Particulars	Year Ended	
	31 March 2018 ₹ in Lakhs	31 March 2017 ₹ in Lakhs
Cash flows from operating activities		
Profit before tax	12,005.55	9,633.54
Adjustments for :		
Depreciation and amortisation expense	1,954.05	1,873.19
Finance costs	221.86	254.89
Exchange fluctuation on foreign exchange	1,656.70	57.50
Interest income on financial asset carried at amortised cost	(0.57)	(1.42)
Gain on investments carried at fair value through profit and loss (net)	(158.88)	(91.07)
Interest on income tax refund	(182.30)	(6.76)
Allowance for doubtful advances	2.28	0.33
Allowance / (write back) of doubtful trade receivables	(9.78)	155.16
Operating profit before working capital changes	15,488.91	11,875.36
Changes in working capital		
Adjustment for (increase) / decrease in operating assets:		
Trade receivables	5,893.58	(22,983.73)
Other assets	(750.64)	(488.39)
Adjustment for Increase / (decrease) in operating liabilities:		
Trade and other payables	(4,451.82)	11,079.40
Provisions	(1,310.69)	257.76
Other liabilities	1,843.06	1,519.25
Cash generated from operations	16,712.40	1,259.65
Income tax paid (net)	(5,281.83)	(4,961.83)
Net cash flow (used in)/generated from operating activities	11,430.57	(3,702.18)
Cash flow from investing activities		
Payments for purchase of property, plant & equipment and intangibles	(2,191.32)	(3,200.22)
Proceeds from disposal of property, plant and equipment and intangibles	10.41	0.77
Investment in subsidiary	(76.91)	(33.74)
Interest received	0.57	1.42
Purchase of current investment	(47,900.00)	(26,500.00)
Sale of current investment	45,928.76	29,293.55
Net cash used in investing activities	(4,228.49)	(438.22)
Cash flow from financing activities		
Proceeds/(repayment) from current borrowings	(6,233.98)	4,594.87
Interest paid	(43.42)	(55.66)
Net cash flow (used in) / generated from financing activities	(6,277.40)	4,539.21
Net increase in cash and cash equivalents	924.68	398.81
Cash and cash equivalents as at beginning of the year	780.06	438.75
Effect of exchange difference on cash and cash equivalents	(17.59)	(57.50)
Cash and cash equivalents as at end of the year	1,687.15	780.06

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Hormuz Master
Partner
Membership Number: 110797

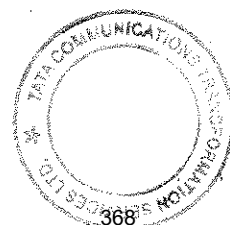


For and on Behalf of the Board of Directors

Madhusudhan M R
Managing Director

Aadesh Goyal
Director

Umasree Kotamraju
Chief Financial Officer



Place : Mumbai

Place : Delhi

Tata Communications Transformation Services Limited
Standalone Statement of changes in equity

A. Equity share capital

(₹ in Lakhs)

	No. of Shares	Amount
Balance at 1 April 2016	5,00,000	50.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2017	5,00,000	50.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2018	5,00,000	50.00

B. Other equity

(₹ in Lakhs)

Particulars	General reserve	Retained earnings	Other comprehensive income	Total
Balance at 1 April 2016	1,381.97	17,387.01	(190.49)	18,578.49
Net profit for the year		6,275.18		6,275.18
Other comprehensive income/(loss) for the year			(180.18)	(180.18)
Tax impact in other comprehensive income/(loss) for the year			62.36	62.36
Total comprehensive income/(loss) for the year	-	6,275.18	(117.82)	6,157.36
Balance as at 31 March 2017	1,381.97	23,662.19	(308.31)	24,735.85
Net profit for the year		7,831.43		7,831.43
Other comprehensive income/(loss) for the year			801.82	801.82
Tax impact in other comprehensive income/(loss) for the year			(277.49)	(277.49)
Total comprehensive income/(loss) for the year	-	7,831.43	524.33	8,355.76
Balance as at 31 March 2018	1,381.97	31,493.62	216.02	33,091.61

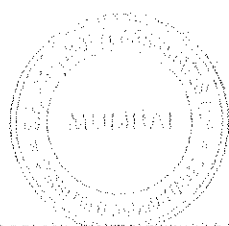
See accompanying notes forming part of the standalone financial statements

In terms of our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



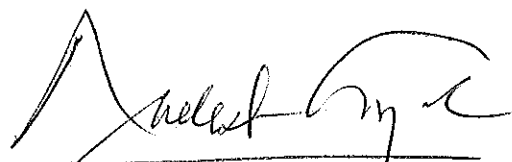
Hormuz Master
Partner
Membership Number: 110797



For and on behalf of the Board of Directors



Madhusudhan M R
Managing Director



Aadesh Goyal
Director



Umasree Kotamraju
Chief Financial Officer

Place : Mumbai
Dated: 04 May 2018

Place : Delhi
Dated: 04 May 2018




TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2018

1. Corporate Information

TATA Communications Transformation Services Limited (the 'Company'), was incorporated on 6 October 2006 to engage in the business of providing telecommunication network management and support services and is a wholly owned subsidiary of **Tata Communications Limited** (Holding Company).

The Company is domiciled in India and its registered office is at C-21/ C 36, G Block, Bandra Kurla Complex Mumbai – 400098, Maharashtra. The Company also has branches in United Kingdom and Saudi Arabia.

2. Significant Accounting Policies

a. *Statement of compliance*

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

b. *Basis of preparation of financial statements*

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 or revalued amount:

- i. Derivative financial instruments
- ii. Certain financial assets and liabilities measured at fair value (refer note 2(q))

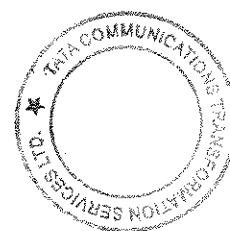
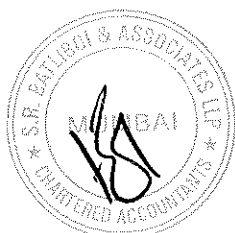
The financial statements are presented in Indian Rupees (INR), and all values are rounded to the nearest lakh (INR 00,000), except when otherwise indicated.

c. *Significant accounting, estimates and assumptions*

The preparation of the Company's financial statements requires management to make, 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.

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.



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2018

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations 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.

Useful life of assets

The Company reviews the useful life of assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by 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. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.

Provisions and contingent liabilities are reviewed at each balance sheet date.

d. *Current versus non-current classification*

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- 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.

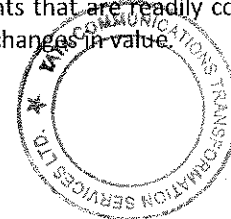
A liability is current when:

- 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.

e. *Cash and cash equivalents (for purposes of Cash flow statement)*

Cash comprises cash on hand. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2018

f. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction, less accumulated depreciation / amortisation and impairment loss, if any. Cost includes inward freight, duties, taxes and all incidental expenses incurred for making the asset ready for its intended use.

Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date and are carried at cost, comprising of direct cost, directly attributable cost and attributable interest.

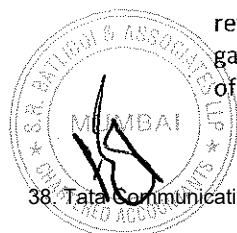
Depreciable amount for Property, plant and equipment is the cost of Property, plant and equipment, or other amount substituted for cost, less its estimated residual value (wherever applicable). Depreciation on property, plant and equipment has been provided on the straight-line method as per the estimated useful lives. The asset's residual values, estimated useful lives and methods of depreciation are reviewed at each financial year end and any change in estimate is accounted for on a prospective basis.

Estimated useful lives of the assets are as follows

Property, plant & equipment	Estimated useful life of Assets
a. Plant and Machinery	
- Network Equipment & Components (Refer note 1 below)	4 to 8 years
- Electrical Equipment & Installations*	10 years
- Network Switches*	13 years
- General Plant & Machinery*	15 years
b. Office Equipment	
- Integrated Building Management Systems (Refer note 1 below)	8 years
- Others*	5 years
c. Leasehold Improvements	Asset life or lease period, whichever is less
d. Buildings (Temporary Structures) *	3 years
e. Furniture & Fixtures*	10 years
f. Computers (servers and network) *	3 to 6 years

* On the above categories of assets, the depreciation has been provided as per useful life prescribed in Schedule II to the Companies Act, 2013.

1. In these cases, the lives of the assets are other than the prescribed lives in Schedule II to the Companies Act, 2013. The lives of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.
2. Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the Statement of Profit and Loss in the year of occurrence.



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2018

g. Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets under development includes expenditure on software development eligible for capitalisation which are carried as Intangible assets under development where such assets are not yet ready for their intended use.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets are amortised as follows:

Computer (Software and Application)	3 to 6 years
-------------------------------------	--------------

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

h. Impairment of non-financial asset

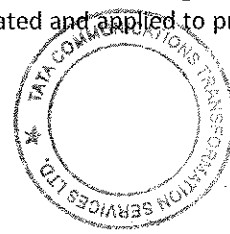
The carrying values of assets / cash generating units ("CGU") at each balance sheet date are reviewed for impairment, if any indication of impairment exists. The following intangible assets are tested for impairment at the end of each financial year even if there is no indication that the asset is impaired:

- an intangible asset that is not yet available for use; and
- an intangible asset with indefinite useful lives.

If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at a revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset. The recoverable amount is the greater of the net selling price and the value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

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. In determining fair value less costs of disposal, recent market transactions are taken into account.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the Company as a CGU. These budgets and forecast calculations generally cover a significant period. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the significant period.



TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2018

i. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Leases are classified as finance leases when substantially all of the risks and rewards incidental to ownership of an asset are transferred from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

Lessee

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term since the payment to the lessor are structured in a manner that the increase is not expected to be in line with expected general inflation.

j. Employee benefits

Employee benefits include contributions to provident fund, gratuity fund, compensated absences and performance incentives.

i. Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

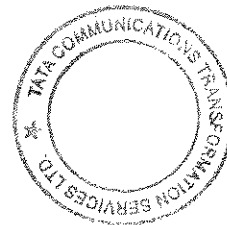
ii. Post-employment benefits

Contributions to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to the contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if applicable), excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the period of plan amendment.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.



TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2018

The Company recognises changes in service costs comprising of current service costs, past-service costs, gains and losses on curtailments and non-routine settlements under employee benefit expenses in the Statement of Profit and Loss.

The net interest expense or income is recognised as part of finance cost in the Statement of Profit and Loss.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

iii. Other long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

k. 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 payment is being made.

The Company derives its revenues from telecommunication network management consulting and other support services. Revenues from the said services are derived from unit-priced contracts. Revenue is recognised as the related services are performed, in accordance with the specific terms of the contract with the customers.

l. Other Income

- i. Dividends from investments are recognised when the right to receive payment is established and no significant uncertainty as to measurability or collectability exists.
- ii. Interest income for all financial instruments measured at amortised cost is recorded on accrual basis. Interest income is included in other income in the Statement of Profit and Loss.

m. Taxation

1. Current income tax

- i. Current tax expense is determined in accordance with the provisions of the Income Tax Act, 1961
- ii. Provision for current income taxes and advance taxes paid in respect of the same jurisdiction are presented in the balance sheet after offsetting them on an assessment year basis.

2. Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside the Statement of Profit and Loss (either in Other comprehensive income or in equity) is recognised outside the Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other comprehensive income or directly in equity.



TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2018

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

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

n. Fair value measurement

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

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:

- i. In the principal market for the asset or liability or
 - ii. In the absence of a principal market, in the most advantageous market for the asset or liability.
- The principal or the most advantageous market must be accessible by the Company.

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.

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

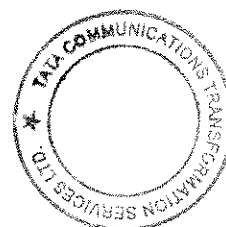
Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

For assets and liabilities that are recognised in the balance sheet 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.

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.



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2018

o. Foreign currencies

The Company's financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

Foreign currency transactions are converted into Indian Rupees at rates of exchange approximating those prevailing at the transaction dates or at the average exchange rate for the month in which the transaction occurs. Foreign currency monetary assets and liabilities are outstanding as at the balance sheet date are translated to Indian Rupees at the closing rates prevailing on the balance sheet date. Exchange differences on foreign currency transactions are recognised in the Statement of Profit and Loss.

p. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

q. Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Financial assets

i. Financial assets at amortised cost

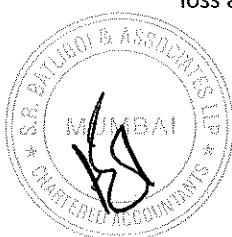
Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely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

ii. Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through Other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

iii. Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2018

iv. 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

- a. The rights to receive cash flows from the asset have expired, or
- b. 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

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

v. Impairment of financial assets

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

- a. Financial assets measured at amortised cost
- b. Financial assets measured at Fair Value through Other Comprehensive Income

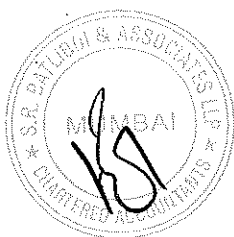
Expected credit losses are measured through a loss allowance at an amount equal to the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date)

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For assessing ECL on a collective basis, financial assets have been grouped on the basis of shared risk characteristics and basis of estimation may change during the course of time due to change in risk characteristics.



TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2018

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

i. Subsequent measurement

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

I. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost on accrual basis.

II. Derecognition

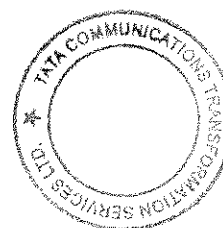
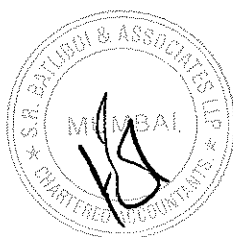
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such 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.

ii. 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

iii. Derivative financial instruments - initial and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2018

r. Recent accounting pronouncements

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018

i. Ind AS 115 – Revenue from Contracts with Customers

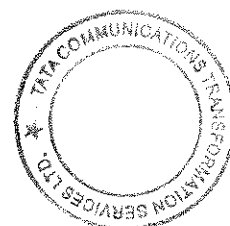
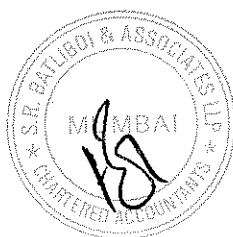
Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary, including the available transition methods. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. A reliable estimate of the impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

ii. Ind AS 21 – The effect of changes in foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2018

3. Property, plant and equipment

(₹ in lakhs)

	Leasehold Improvement	Building	Plant and Machinery	Furniture and Fixtures	Office Equipment	Computers	Total
Cost							
Balance as at 1 April 2016	2,772.58	-	1244.08	581.48	635.86	3020.48	8,254.48
Additions	548.61	15.06	341.31	121.34	197.14	452.27	1,675.73
Disposals	-	-	-	-	-	(1.41)	(1.41)
Balance as at 31 March 2017	3,321.19	15.06	1,585.39	702.82	833.00	3,471.34	9,928.80
Additions	76.03	6.72	496.18	52.68	63.38	410.82	1,105.81
Disposals	(97.95)	-	(75.98)	(96.83)	(64.75)	(213.48)	(548.99)
Balance as at 31 March 2018	3,299.27	21.78	2,005.59	658.67	831.63	3,668.68	10,485.62
Accumulated depreciation							
Balance as at 1 April 2016	1,769.79	-	440.64	304.04	418.64	1,964.16	4,897.27
Depreciation	558.60	0.42	157.56	85.95	93.79	599.21	1,495.53
Disposals	-	-	-	-	-	(0.64)	(0.64)
Balance as at 31 March 2017	2,328.39	0.42	598.20	389.99	512.43	2,562.73	6,392.16
Depreciation	422.98	7.07	223.19	49.53	93.76	571.72	1,368.25
Disposals	(97.95)	-	(73.75)	(89.14)	(64.70)	(213.04)	(538.58)
Balance as at 31 March 2018	2,653.42	7.49	747.64	350.38	541.49	2,921.41	7,221.83
Carrying amount							
Balance as at 31 March 2017	992.80	14.64	987.19	312.83	320.57	908.61	3,536.64
Balance as at 31 March 2018	645.85	14.29	1,257.95	308.29	290.14	747.27	3,263.79

4. Intangible assets

(₹ in lakhs)

	Computer (Software and Application)
Cost	
Balance as at 1 April 2016	1,554.86
Additions	45.10
Disposals	-
Balance as at 31 March 2017	1,599.96
Additions	1,437.38
Disposals	(110.58)
Balance as at 31 March 2018	2,926.76
Accumulated amortization	
Balance as at 1 April 2016	760.39
Additions	377.66
Disposals	-
Balance as at 31 March 2017	1,138.05
Amortisation Expense	585.80
Disposals	(110.57)
Balance as at 31 March 2018	1,613.28
Carrying amount	
Balance as at 31 March 2017	461.91
Balance as at 31 March 2018	1,313.48



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2018

5. Investments

(₹ in lakhs)

	As at 31 March 2018		As at 31 March 2017	
	Quantity (Shares/units)	Amount	Quantity (Shares/units)	Amount
A. <u>Non-current</u>				
Investment at cost				
In subsidiary fully paid equity shares -				
Unquoted				
Tata Communications Transformation Services Pte. Limited	170,000	110.66	50,000	33.74
Total (A)		110.66		33.74
B. <u>Current</u>				
Investments at fair value through profit or loss				
Mutual Funds (unquoted)	89,362.39	2,130.12	-	-
Total (B)		2,130.12		-
(A+B)		2,240.78		33.74

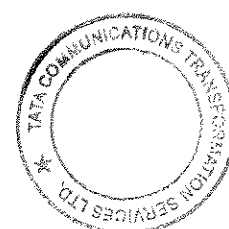
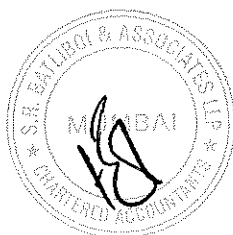
During the previous year, the Company has incorporated a wholly owned subsidiary, Tata Communication Transformation Services Pte. Limited, domiciled in Singapore.

The market value of the current investments is equal to the carrying value.

6. Other financial assets

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
A. <u>Non-current</u>		
Security deposits – unsecured, considered good	29.04	33.17
Total (A)	29.04	33.17
B. <u>Current</u>		
a. Advances to related parties - unsecured, considered good	-	13.77
b. Advances to contractors and vendors - unsecured, considered good	114.83	28.67
c. Fair value of foreign currency forward contracts	-	104.67
Total (B)	114.83	147.11
(A+B)	143.87	180.28



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2018

7. Deferred tax assets (net)

Major components of deferred tax asset and liability consist of the following

(₹ in lakhs)

	As at 1 April 2017	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2018
Deferred tax assets in relation to:				
Difference between accounting and tax depreciation / amortization	357.98	147.39	-	505.37
Provision for doubtful trade receivables	53.46	(10.16)	-	43.30
Provision for Employee benefit obligations	794.84	75.63	(277.49)	592.98
Expenditure disallowed u/s. 40 (a) (ia)	738.82	323.69	-	1,062.51
Interest on Income Tax Refund	-	50.02	-	50.02
Others	2.33	(12.72)	-	(10.39)
Deferred tax assets (net)	1,947.43	573.85	(277.49)	2,243.79

(₹ in lakhs)

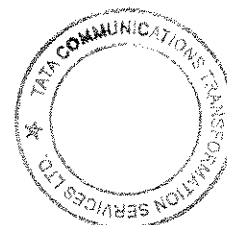
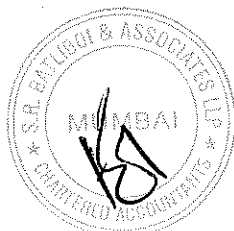
	As at 1 April 2016	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2017
Deferred tax assets in relation to:				
Difference between accounting and tax depreciation / amortization	209.15	148.83	-	357.98
Provision for doubtful trade receivables	7.10	46.36	-	53.46
Provision for Employee benefit obligations	804.64	(72.16)	62.36	794.84
Expenditure disallowed u/s. 40 (a) (ia)	323.28	415.54	-	738.82
Others	(0.81)	3.14	-	2.33
Deferred tax assets (net)	1,343.36	541.71	62.36	1,947.43

8. Income tax assets (Net)

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Advance tax (net of provision for taxes) (refer (i) below)	5,375.60	4,760.35
Total	5,375.60	4,760.35

i. Advance tax includes amount paid under dispute of ₹ 359 lakhs (2017 : ₹ 359 lakhs).



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2018

9. Other assets

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
A. <u>Non-current</u>		
a. Capital advances – unsecured, considered good	11.31	2.84
b. Prepaid expenses - unsecured, considered good	437.19	8.51
Total (A)	448.50	11.35
B. <u>Current</u>		
a. Advances to Employees		
Unsecured, considered good	476.72	198.15
Unsecured, considered doubtful	3.25	0.97
	479.97	199.12
Less: Allowance for doubtful advances	(3.25)	(0.97)
	476.72	198.15
b. Indirect tax recoverable – Considered good	500.94	425.23
c. Advances to vendors - Unsecured, considered good	67.01	27.19
d. Prepaid Expenses - Unsecured, considered good	258.31	296.33
Total (B)	1,302.98	946.90
(A+B)	1,751.48	958.25

10. Trade receivables

(₹ in lakhs)

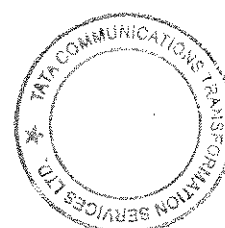
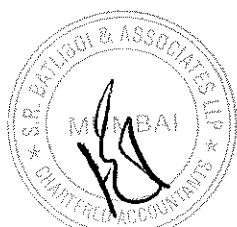
	As at 31 March 2018	As at 31 March 2017
a. Unsecured, considered good	44,695.49	50,579.29
b. Unsecured, considered doubtful	165.97	175.75
	44,861.46	50,755.04
Less: Allowance for doubtful debt (expected credit loss allowance) (Refer note 35 (c))	(165.97)	(175.75)
Total	44,695.49	50,579.29

The Company's exposure to customers other than the three largest customers is diversified and no other single customer has more than 10% of outstanding accounts receivable as on 31 March 2018 and 31 March 2017.

11. Cash and cash equivalents

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
a. Current accounts with banks	1,687.15	651.76
b. Remittances in transit	-	128.30
Total	1,687.15	780.06



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2018

12. Equity share capital

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
a. Authorised:		
1,000,000 (2017: 1,000,000) Equity shares of ₹ 10 each	100.00	100.00
	100.00	100.00
b. Issued, subscribed and paid up:		
500,000 (2017: 500,000) Equity shares of ₹ 10 each, fully paid up	50.00	50.00
Total	50.00	50.00

a. Issued, subscribed and paid up:

There was no movement in the issued, subscribed and paid up share capital of the Company during the year.

b. Number of shares held by each shareholder holding more than 5% of the issued share capital:

	As at 31 March 2018		As at 31 March 2017	
	No of shares	Percentage	No of shares	Percentage
Tata Communications Limited (Parent Company)	500,000	100%	500,000	100%

c. Terms / rights attached to equity shares:

The Company has only one class of equity shares having a face value of ₹ 10 per share. Equity shareholders are entitled to one vote per share at any General Meeting of Shareholders. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

13. Other equity

(₹ in lakhs)

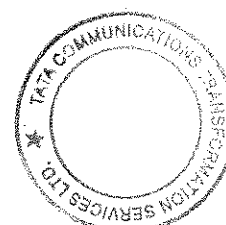
	As at 31 March 2018	As at 31 March 2017
a. General reserve (Refer Note i below)	1,381.97	1,381.97
b. Retained earnings	31,493.62	23,662.19
c. Other comprehensive income	216.02	(308.31)
Total	33,091.61	24,735.85

i. General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

ii. Other comprehensive income

This represents the cumulative gains and losses arising on remeasurement of defined employee benefit plans (net of tax).



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2018

14. Provisions

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
A. <u>Non-current</u>		
Provision for employee benefits (refer note 29)		
a. Provision for gratuity	188.26	530.69
b. Provision for compensated absences	1,098.64	2,617.56
c. Provision for others (refer i below)	19.92	14.61
Total (A)	1,306.82	3,162.86
B. <u>Current</u>		
Provision for compensated absences	243.27	314.30
Total (B)	243.27	314.30
(A+B)	1,550.09	3,477.16

ii. Provision for others is towards end of service gratuity for the Company's Riyadh branch.

15. Other liabilities

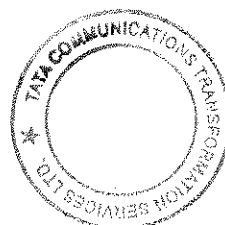
(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
A. <u>Non-current</u>		
Accrued employee benefits	323.23	366.52
Total (A)	323.23	366.52
B. <u>Current</u>		
a. Deferred revenue	334.30	58.35
b. Accrued payroll	6,728.79	5,412.33
c. Statutory liabilities	696.72	446.53
d. Other liabilities	0.19	5.13
Total (B)	7,760.00	5,922.34
(A+B)	8,083.23	6,288.86

16. Borrowings

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Unsecured		
Loans repayable on demand (from banks)		
a. Cash credit facility (Rate of interest per annum: Nil; 2017: 1.51% to 1.67%)	-	3,649.35
b. Bank overdraft (Rate of interest per annum: Nil; 2017: 8.90% to 10.80%)	-	945.53
Total	-	4,594.88



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2018

17. Trade and other payables

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
A Total outstanding dues of micro enterprises and small enterprises (Refer note 32)	294.05	591.50
(I)	294.05	591.50
B Total outstanding dues of creditors other than micro enterprises and small enterprises		
i. Other creditors	14,032.44	14,416.70
ii. Payable to related parties	5,694.80	9,464.91
(II)	19,727.24	23,881.61
Total (I+II)	20,021.29	24,473.11

18. Other financial liabilities

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Current		
a. Capital goods		
- Payable to related parties	13.45	684.12
- Others	425.65	566.82
b. Fair value of foreign currency forward contracts	43.82	-
c. Other payables	11.48	13.60
Total	494.40	1,264.54

19. Current tax liabilities (Net)

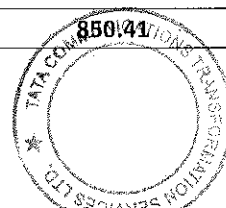
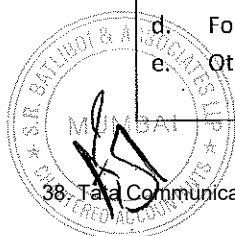
(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Provision for tax	5.14	106.06
Total	5.14	106.06

20. Other income

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
a. Interest income on financial asset carried at amortised cost	0.57	1.42
b. Interest on income tax refund	182.30	6.76
c. Gain on investments carried at fair value through profit and loss	158.88	91.07
d. Foreign exchange gain/(loss) (net)	382.12	(259.69)
e. Others	126.54	129.06
Total	850.41	(31.38)



TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2018

21. Operating and other expense

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
a. Light and power	676.03	606.28
b. Repairs and maintenance:		
i. Building	146.12	185.95
iii. Plant and machinery	1,741.04	754.87
iii. Others	326.24	170.59
c. Allowance for doubtful trade receivables	(9.78)	155.16
d. Allowance for doubtful advances	2.28	0.33
e. Rent	1,743.87	721.74
f. Network management sub-contracting charges	21,736.05	20,713.02
g. Travelling expenses	2,314.95	1,977.21
h. Local Conveyance	1,497.05	1,325.67
i. Telephone expenses	1,347.63	1,233.87
j. Printing, postage and stationery	32.49	41.92
k. Outsourced manpower cost	18,130.10	18,173.86
l. Legal and Professional charges	1,303.09	1,465.64
m. Brand Equity and Business Promotion expenses	243.55	213.27
n. Advertising and publicity	647.35	615.75
o. Recruitment Expenses	193.07	373.36
p. Security Charges	217.13	166.24
q. Corporate Social Responsibility (Refer Note i)	189.78	199.41
r. Other expenses	483.50	360.83
Total	52,961.54	49,454.97

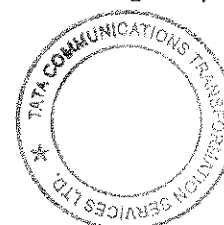
- i. As per Section 135 of the Companies Act, 2013 and rules thereon, gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) amounting to ₹ 189.03 lakhs (2017: ₹ 200.00 lakhs). The Company spent ₹ 189.78 lakhs (2017: ₹ 199.41 lakhs) during the year for the purpose of CSR activities mainly under promotion of education and employability including ₹ 54.71 lakhs (2017: ₹ 140.59 lakhs) on construction / acquisition of assets.

- ii. Other expenses include auditor's remuneration as follows: (excluding goods and service tax):

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Auditors' remuneration and expenses		
a. Audit fees	19.00	14.25
b. Tax Audit fees	3.00	2.50
c. Other professional services	0.88	4.64
d. For reimbursement of expenses	-	0.71

- iv. Operating and other expenses includes an adjustment on account of liabilities no longer required written back, pertaining to prior years.



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2018

22. Employee benefits expenses

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
a. Salaries and related costs	34,406.39	35,890.87
b. Contributions to provident, gratuity and other funds (Refer note 29)	2,372.47	1,750.62
c. Staff welfare expenses	2,916.68	2,955.29
Total	39,695.54	40,596.78

23. Finance costs

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
a. Interest on bank overdraft and loans	36.42	62.66
b. Other interest	185.44	192.23
Total	221.86	254.89

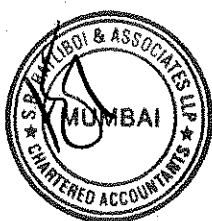
24. Depreciation and amortisation expense

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
a. Depreciation for the year on property, plant and equipment (Refer note 3)	1,368.25	1,495.53
b. Amortisation for the year on intangible assets (Refer note 4)	585.80	377.66
Total	1,954.05	1,873.19

25. Staff cost optimisation

As part of its initiative to enhance the long-term efficiency of the business, during the previous year the Company undertook certain organizational changes to align to the Company's current and prospective business requirements. These changes involved certain positions in the Company becoming redundant and the Company incurred one-time charge of ₹ 1,787.53 lakhs (2017: ₹ Nil lakhs) net of recoveries.



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2018

26. Income tax

a. Income tax recognised in statement of profit and loss

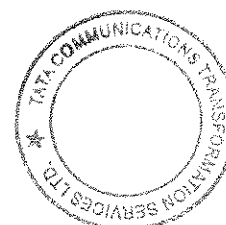
(₹ in lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current tax		
In respect of current year	4,112.71	3,743.16
In respect of prior years	635.25	156.91
Total current tax (a)	4,747.96	3,900.07
Deferred tax		
In respect of the current year	92.75	(341.04)
In respect of prior years	(666.59)	(200.67)
Total deferred tax (b)	(573.84)	(541.71)
Total income tax (a+b)	4,174.12	3,358.36

b. The Income tax expense for the year can be reconciled to the accounting profit as follows

(₹ in lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Profit before tax	12,005.55	9,633.54
Income tax expense calculated at 34.608% tax rate (2017: 34.608% Tax rate)	4,154.88	3,333.98
Tax expense as per statement of profit and loss	4,174.12	3,358.36
Difference	(19.24)	(24.38)
Reasoning		
Effect of expenses / adjustments that are not deductible in determining taxable profit	(19.24)	(24.38)
Total	(19.24)	(24.38)
Income tax expense recognised in statement of profit and loss	4,174.12	3,358.36

c. Income tax recognised in Other comprehensive income

(₹ in lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Deferred tax		
Remeasurement of the defined benefit obligations	(277.49)	62.36
Total deferred tax	(277.49)	62.36
Bifurcation of income taxes recognized in other comprehensive income into		
Items that will not be reclassified to statement of profit and loss	(277.49)	62.36



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2018

27. Segment information

a. Operating segments

The Board of Directors of the Company constitute the Chief Operating Decision Makers ("CODM") which allocate resources to and assess the performance of the Company. The Company is engaged primarily in the business of providing telecommunication network management, consulting and other support services. Considering the nature of the Company's business and operations, there are no other reportable segments in accordance with the requirements of Indian Accounting Standard 108- 'Operating Segments' prescribed under section 133 of the Companies Act, 2013.

b. Geographical information

Geographical revenue is allocated based on the location of the customer. Information regarding geographical revenue is as follows:

(₹ in lakhs)

Geography	Year ended 31 March 2018	Year ended 31 March 2017
India	63,062.40	61,725.84
United Kingdom	20,969.79	19,748.44
Canada	8,912.98	7,102.20
USA	3,681.62	3,053.33
Luxemburg	3,354.77	2,229.26
Others	7,794.10	7,985.68
	1,07,775.66	101,844.75

For segment, non-current assets comprises of property, plant and equipment, capital work in progress, intangible assets, intangible assets under development and other assets which are mainly located in India.

c. Information about major customers

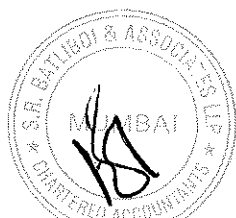
(₹ in lakhs)

Customer name	As at 31 March 2018	% of total revenue	As at 31 March 2017	% of total revenue
Customer A	28,133.62	26%	30,002.40	29%
Customer B	18,763.37	17%	15,632.39	15%
Customer C	13,811.56	13%	12,162.84	12%

28. Earnings per share

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Net Profit after tax attributable to the equity shareholders (A)	7,831.43	6,275.18
Number of equity shares outstanding at the end of the year	500,000	500,000
Weighted average number of shares outstanding during the year (B)	500,000	500,000
Basic and diluted earnings per share (₹ per equity share of ₹ 10 each) (A/B)	1,566.29	1,255.04



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2018

29. Employee Benefit plans

i. Defined Contribution Plan - Provident Fund

The Company makes contribution towards provident fund under a defined contribution retirement benefit plan for employees. The provident fund is administered by the Regional Provident Fund Commissioner. Under this scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits.

Provident fund contributions amounting to ₹ 1,334.86 lakhs (2017: ₹ 1,346.24 lakhs) lakhs have been charged to the Statement of Profit and Loss, under contributions to provident, gratuity and other funds in note 22 "Employee benefits".

ii. Defined Benefit Plan - Gratuity

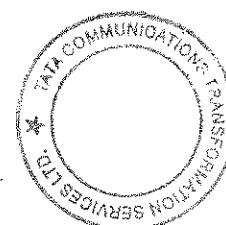
The Company makes annual contributions under the Employees Gratuity scheme to a fund administered by Trustees covering all eligible employees. The plan provides for lump sum payments to employees whose right to receive gratuity had vested at the time of resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service except in case of death.

These plans typically expose the Company to actuarial risk such as investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently, the plan has a relatively balanced mix of investments in government securities, high quality corporate bonds, equity and other debt instruments.
Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase
Salary risk	Higher than expected increases in salary will increase the defined benefit obligation
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March 2018 by an accredited actuary.



TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2018

The principal assumptions used for the purposes of the actuarial valuations were as follows

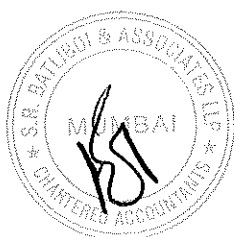
	As at 31 March 2018	As at 31 March 2017
<u>Principal actuarial assumptions</u>		
Discount rate	7.50%	7.20%
Salary escalation rate	7.00%	10.00%
<u>Withdrawal rate</u>		
Less than 5 years	15.00%	15.00%
5 years and more	8.00%	8.00%

The discount rate is based on the prevailing market yields of the Government of India Securities as at Balance sheet date for the estimated term of the obligation.

The estimation of the future salary increase is considered by taking into account the inflation, seniority, promotion, increments and other relevant factors.

Amounts recognised in the Statement of Profit and Loss in respect of these defined benefit plans are as follows

	As at 31 March 2018	As at 31 March 2017
	(₹ in lakhs)	
Expenses recognised in the statement of profit and loss		
a. Current service cost	406.82	346.00
b. Past service cost	490.02	-
c. Interest cost	28.45	20.11
Components of defined benefit costs recognized in the statement of profit and loss	925.29	366.11
Remeasurement on the net defined benefit liability		
a. Return on plan assets (excluding amounts included in net interest expense)	(96.46)	(63.80)
b. Actuarial (gains) / losses arising from DBO assumption changes	(596.91)	208.59
c. Actuarial (gains) / losses arising from experience adjustments	(108.45)	35.39
Components of defined benefit costs recognized in other comprehensive income	(801.82)	180.18



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2018

The details in respect of the status of funding and the amounts recognised in the Company's financial statements are as under

(₹ in lakhs)

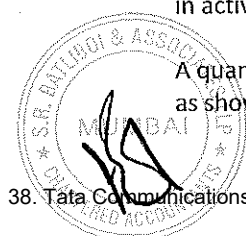
	As at 31 March 2018 (Funded)	As at 31 March 2017 (Funded)
I. Amount recognized in the balance sheet		
Liability at the end of the year	3,364.06	3,680.09
Fair value of plan assets at the end of the period	3,175.80	3,149.40
Net liability in the balance sheet	188.26	530.69
Non-current provision (Refer note 14A)	188.26	530.69
II. Change in the Defined Benefit Obligation (DBO)		
Liability at the beginning of the period	3,680.09	3,233.90
Current service cost	406.82	346.00
Past service cost	490.01	-
Interest cost	244.90	240.41
Transfer in/(out)	(194.60)	(2.70)
Actuarial (gain) / loss on financial assumption	(596.91)	208.59
Actuarial (gain) / loss on experience assumption	(108.45)	35.39
Benefits paid	(557.80)	(381.50)
Liability at the end of the period	3,364.06	3,680.09
III. Change in fair value of assets		
Opening fair value of plan assets	3,149.40	2,711.90
Transfer in/ (out)	(194.60)	(2.70)
Expected return on plan assets	216.44	220.30
Employer's contribution	465.90	537.60
Actuarial gain / (loss)	96.46	63.80
Benefits paid	(557.80)	(381.50)
Closing fair value of plan assets	3,175.80	3,149.40

Major categories of plan assets are as follows

	As at 31 March 2018	As at 31 March 2017
a. Government of India securities (central and state)	42.89%	36.13%
b. High quality corporate bonds (including public sector bonds)	24.70%	32.24%
c. Equity shares of listed companies	19.00%	19.45%
d. Cash (including special deposits)	10.21%	12.18%
f. Other (including assets under schemes of insurance)	3.20%	-
Total	100%	100%

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets. This policy has been implemented during the current and prior years.

A quantitative sensitivity analysis for significant assumptions as at 31 March 2018 and 31 March 2017 is as shown below



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2018

Significant actuarial assumptions for the determination of the defined obligation are discount rate, salary escalation rate and withdrawal rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

a. Discount rate

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Effect on DBO due to 1% increase	(231.78)	(291.71)
Effect on DBO due to 1% decrease	265.07	338.39

b. Salary escalation rate

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Effect on DBO due to 1% increase	230.63	194.56
Effect on DBO due to 1% decrease	(210.41)	(193.42)

c. Withdrawal rate

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Effect on DBO due to 5% increase	45.44	(56.06)
Effect on DBO due to 5% decrease	(95.16)	65.33

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

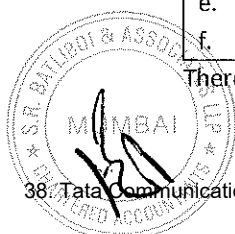
There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Maturity profile of defined benefit plan

(₹ in lakhs)

	As at 31 March 2018
a. March 31, 2019	367.73
b. March 31, 2020	353.50
c. March 31, 2021	381.58
d. March 31, 2022	397.18
e. March 31, 2023	501.56
f. March 31, 2024 to March 31, 2028	2,488.60

There has been no change in the process used by the company to manage its risks from prior years.



TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2018

iii. Leave Plan and compensated absences

Eligible employees can carry forward and encash leave on death, permanent disablement and resignation subject to maximum accumulation of 60 days. During the previous year, this was subject to a maximum leave of 120 days in addition to accumulated leave balance available in accumulated quota.

The liability for compensated absences as at the year-end is ₹ 1,341.91 lakhs (2017: ₹ 2,931.86 lakhs) as shown under non-current provisions ₹ 1,098.64 lakhs (2017: ₹ 2,617.56 lakhs) and current provisions ₹ 243.27 lakhs (2017: ₹ 314.30 lakhs). The amount charged to the Statement of Profit and Loss under Salaries and related costs in note 22 "Employee benefits expense" is ₹ (477.39) lakhs (2017: ₹ 557.23 lakhs)

30. Related party transactions

i. Names of related parties and nature of relationship

Sr. No	Category of related parties	Names
A	Holding company	Tata Communications Limited
B	Affiliates of holding company	Tata Sons Limited Tata Consultancy Services Limited Tata Teleservices Limited Tata Sky Limited Tata Sky Broadband Private Limited Tata AIG General Insurance Company Limited Tata Capital Financial Services Limited Tata Business Excellence Group (A division of Tata Sons Limited) Tata Business Support Services Limited
C	Subsidiary (Direct)	Tata Communications Transformation Services Pte Limited (Singapore)
D	Subsidiary (Indirect)	Tata Communications Transformation Services (Hungary) Kft Tata Communications Transformation Services (US) Inc Tata Communications Transformation Services South Africa (Pty) Ltd
E	Fellow subsidiaries*	Tata Communications International Pte Limited Tata Communications (Australia) Pty Limited Tata Communications (America) Inc. Tata Communications (Bermuda) Limited Tata Communications (Canada) Limited Tata Communications (Netherlands) B.V. Tata Communications (UK) Limited Tata Communications (Middle East) FZ-LLC Neotel (Pty) Ltd. (upto 10 February 2017) STT Global Data Centers India Private Limited upto 19 October 2016 (Formerly known as Tata Communications Data Centers Private Limited) Tata Communications (Ireland) Limited Tata Communications (Poland) SPZoo Tata Communications (Spain) SL Tata Communication (NZ) Ltd

TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2018

		Tata Communications Deutschland GmbH. Tata Communications (France) SAS Tata Communications Hongkong Limited Tata Communications (Malaysia) SDN.BHD Tata Communications Payments Solutions Limited Tata Communication Services International Pte Ltd Tata Communications Collaboration Services Private Limited
F	Associate of holding company	STT Global Data Centers India Private Limited w.e.f. 19 October 2016 (Formerly known as Tata Communications Data Centers Private Limited)
G	Key managerial Personnel	Madhusudhan MR (w.e.f. 1 September 2016)

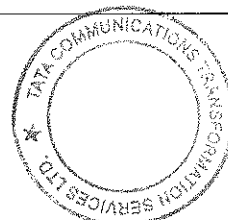
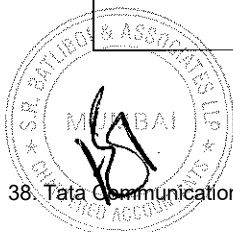
*Where transactions have taken place / there are balances

Reimbursement made of expenses incurred by related party for business purpose of the Company, or reimbursement received for expenses incurred by the Company on behalf of a related party shall not be deemed related party transactions.

ii. Summary of transactions and balances with related parties

(₹ in lakhs)

Particulars	Holding company & its associates	Affiliates	Subsidiaries (Direct and Indirect)	Fellow subsidiaries	Key management Personnel	Total
Revenue from operations	14,247.79 12,162.84	29,755.03 31,729.83		2,256.42 7,960.60		46,259.24 51,853.27
Shared service income	31.62 33.80			7.79 -		39.41 33.80
Rent	1,528.76 1,156.32	- (745.27)				1,528.76 411.05
Telephone expenses	680.33 491.13			15.62 6.85		695.95 497.98
Brand Equity and Business Promotion expenses		229.26 213.27				229.26 213.27
Outsource Manpower Expenses				- 133.22		- 133.22
Service Fee	343.77 286.33			4,179.23 3,746.86		4,523.00 4,033.19

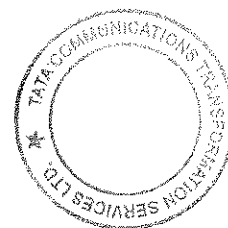
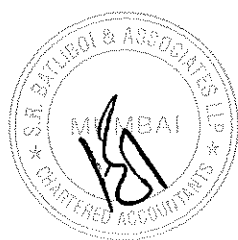


TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2018

Particulars	Holding company & its associates	Affiliates	Subsidiaries (Direct and Indirect)	Fellow subsidiaries	Key management Personnel	Total
Insurance		2.82				2.82
		3.85				3.85
Car Lease Rentals		80.46				80.46
		115.95				115.95
Others		18.00				18.00
		0.85				0.85
Investment in Subsidiary			76.91			76.91
			33.74			33.74
Assets – Transfer in / (Out)	0.09					0.09
	1.78					1.78
Key Managerial Remuneration					470.04	470.04
					255.18	255.18
Trade Receivables	4,227.14	10,839.12		980.48		16,046.74
	4,572.65	12,789.61		10,369.20		27,731.46
Other assets – Advance to vendors		0.43				0.43
		-				-
Other financial assets – non-current		0.50				0.50
		0.50				0.50
Trade Payables	3,269.10	270.06	21.28	2,134.36		5,694.80
	4,816.69	227.03	-	4,421.19		9,464.91
Other financial Liabilities – capital vendors	-	13.45				13.45
	667.53	16.59				684.12

Amount in italics denote previous year figures.



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2018

31. Contingent liabilities and commitments

I. Contingent liabilities

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Claims against the Company not acknowledged as debt		
- Claims for taxes on income (Refer i)	1,006.40	1,057.04

- i. These pertain to demand notices in respect of certain transfer pricing and other adjustments carried out by Revenue authorities and non-compliance of TDS for which the Company has preferred appeals and/ or filed rectifications which are pending. Based on legal advice, the Company believes this claims are not probable and would not result in outflow of resources.

II. Commitments

i. Capital commitments

Estimated amount of contracts remaining (net of advances) to be executed on capital account, not provided for ₹ 854.39 lakhs (2017: ₹ 270.79 lakhs).

ii. Other commitments

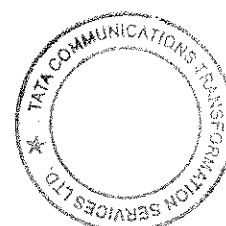
As on 31 March 2018, the Company has issued corporate guarantee for credit facility arrangements in respect of one its subsidiary of ₹ 3,258.75 lakhs (USD 5.25 mn).

32. Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
a. Principal amount remaining unpaid to any supplier beyond scheduled date as at the end of the accounting year	292.75	581.28
b. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	1.30	10.22
c. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
d. The amount of interest due and payable for the year	1.30	10.22
e. The amount of interest accrued and remaining unpaid at the end of the accounting year	1.30	10.22
f. The amount of further interest due and payable even in the succeeding year, until such date when the interests dues as above are actually paid	-	-
g. Total outstanding dues of micro and small enterprises	294.05	591.50

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2018

33. Derivatives

Derivatives not designated as hedge instruments

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally for a period of 1 to 3 months.

Outstanding derivatives instruments are as follows:

(in lakhs)

	As at 31 March 2018		As at 31 March 2017	
	(Amount in Foreign Currency)	(Amount in INR)	(Amount in Foreign Currency)	(Amount in INR)
i. Forward exchange contracts (Sell)				
CAD	25.90	1,315.48	13.50	676.19
EUR	6.05	492.23	6.10	432.87
GBP	46.30	4,290.58	20.00	1,637.38
USD	-	-	20.00	1,372.50
ZAR	369.90	1,990.43	286.60	1,394.53

34. Financial instruments

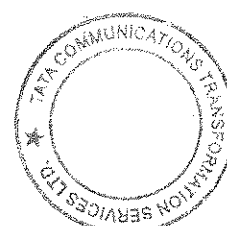
The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(q) to the financial statements.

Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2018 is as follows

(₹ in lakhs)

	Fair value through profit or loss	Derivatives instrument	Amortised cost	Total carrying value
Financial Assets:				
Investments (other than at cost)	2,130.12	-	-	2,130.12
Other financial assets	-	-	143.87	143.87
Trade receivables	-	-	44,695.49	44,695.49
Cash and Cash equivalents	-	-	1,687.15	1,687.15
Total	2,130.12		46,526.51	48,656.63
Financials Liabilities:				
Other financial liabilities	-	43.82	450.58	494.40
Trade payables	-	-	20,021.29	20,021.29
Total	-	43.82	20,471.87	20,515.69



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2018

The carrying value of financial instruments by categories as at 31 March 2017 is as follows

				(₹ in lakhs)
	Fair value through profit or loss	Derivatives instrument	Amortised cost	Total carrying value
Financial Assets:				
Other financial assets	-	104.67	75.61	180.28
Trade receivables	-	-	50,579.29	50,579.29
Cash and Cash equivalents	-	-	780.06	780.06
Total	-	104.67	51,434.96	51,539.63
Financials Liabilities:				
Borrowings	-	-	4,594.88	4,594.88
Other financial liabilities	-	-	1,264.54	1,264.54
Trade payables	-	-	24,473.11	24,473.11
Total	-	-	30,332.53	30,332.53

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payables as at 31 March 2018 and 31 March 2017 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of following three levels

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

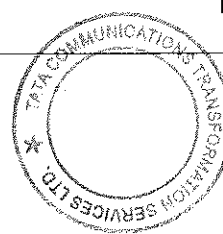
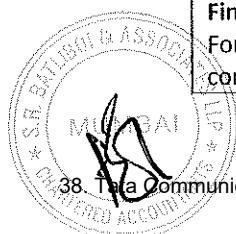
Level 2: Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The investments included in level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

- (i) The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required)

	Fair value as at		Fair value hierarchy
Financial assets	31 March 2018	31 March 2017	
Financial Assets			
Investment in mutual funds	2,130.12	-	Level 1
Foreign exchange forward contracts	-	104.67	Level 2
Financial Liabilities			
Foreign exchange forward contracts	43.82	-	Level 2



TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2018

35. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include loans, trade and other receivables, current investments and cash and cash equivalents and current investments that derive directly from its operations. The Company has investments in mutual funds on which gain or loss on fair value is recognised through profit or loss and also enters into derivative transactions.

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 ensures that 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. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the company's policy that no trading in derivatives for speculative purposes may be undertaken. The Senior Management reviews and agrees policies for managing each of these risks, which are summarised below:

a. 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. Financial instruments affected by market risk include loans and borrowings, deposits, Fair Value Through Profit or Loss investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2018 and 31 March 2017.

The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2018.

The following assumptions have been made in calculating the sensitivity analysis

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018 and 31 March 2017.

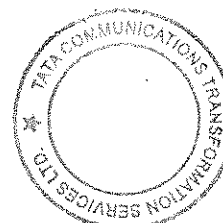
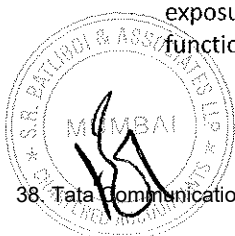
b. Foreign currency risk

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's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12- month period for hedges of forecasted sales and purchases.

Foreign currency sensitivity

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rate shift of all the currencies by 5% against the functional currency of the Company.



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2018

The following analysis has been worked out based on the net exposures of the Company as of the date of balance sheet which would affect the statement of Profit and Loss and equity.

The following tables sets forth information relating to foreign currency exposure (net) as at 31 March 2018, 31 March 2017.

(₹ in lakhs)

Currency	As at 31 March 2018		As at 31 March 2017	
	Financial liabilities	Financial Assets	Financial liabilities	Financial Assets
Omani Rial	-	5,870.91	-	2,189.46
CAD	-	1,287.07	-	1,357.44
GBP	-	3,572.49	-	1,203.35
EUR	-	691.27	-	341.01
USD	-	141.47	-	255.33
Others	28.91	283.78	121.90	865.32

5% appreciation/ depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/ increase in the Company's profit before tax by approximately ₹ 590.89 lakhs and ₹ 304.42 lakhs for the year ended 31 March 2018 and 31 March 2017 respectively.

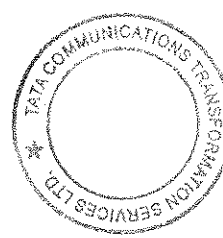
c. Credit risk

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) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Company has applied simplified approach for computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes in to consideration the historical credit loss experience and the adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due.

(₹ in lakhs)

Ageing of receivables	As at 31 March 2018	As at 31 March 2017
Within credit period	16,748.72	15,744.13
01-90 days	22,633.75	24,788.20
91-180 days	3,095.00	4,679.16
181-360 days	2,029.76	4,111.25
More than 360 days	188.26	1,256.55
Total	44,695.49	50,579.29



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2018

Movement in the expected credit loss allowance

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Balance at beginning of the year	175.75	20.59
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses (net)	(9.78)	155.16
Balance at the end of the year	165.97	175.75

d. Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

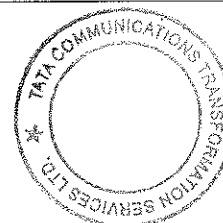
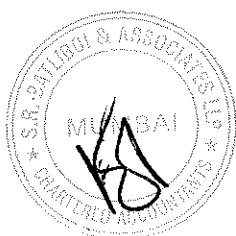
The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ in lakhs)

As at 31 March 2018	On demand	0 to 12 months	1 to 5 years	>5 years	Total
Trade and other payables	6,816.70	13,259.89	-	-	20,076.59
Capital creditors	231.86	207.24	-	-	439.10

(₹ in lakhs)

As at 31 March 2017	On demand	0 to 12 months	1 to 5 years	>5 years	Total
Trade and other payables	14,334.22	10,152.49	-	-	24,486.71
Capital creditors	430.80	820.14	-	-	1,250.94
Current borrowings	945.53	3,649.35	-	-	4,594.88



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TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2018

36. Events after the reporting period

There are no subsequent events between the year ended 31 March 2018 and signing of financial statements as on 04 May 2018 which have material impact on the financials of the Company.

37. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 04 May 2018.

38. Previous year's figures have been regrouped/ re-arranged where necessary to confirm to current year's classification / disclosure.

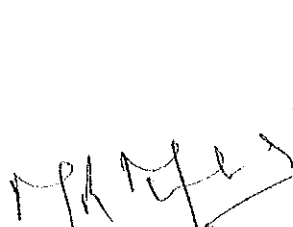
The figures of previous year were audited by a firm of Chartered Accountants other than S.R. Batliboi & Associates LLP.

In terms of our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

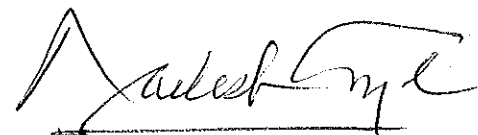


Hormuz Master
Partner
Membership Number: 110797

For and on behalf of Board of Directors



Madhusudhan MR
Managing Director



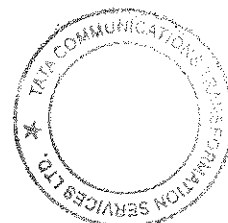
Aadesh Goyal
Director



Umasree Kotamraju
Chief Financial Officer

Place: Mumbai
Date: 04 May 2018

Place: Delhi
Date: 04 May 2018



INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Communications Collaboration Services Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Tata Communications Collaboration Services Private Limited (the 'Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the 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.

Management's Responsibility for the Ind AS 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 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2017, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 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 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 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 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 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 Ind AS financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 3, 2017.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 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 it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2017, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 2' to this report;
 - (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:



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Tata Communications Collaboration Services Private Limited

Page 3 of 8

- 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 for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Hormuz Master
Partner

Membership Number: 110797



Place: Mumbai

Date: May 09, 2018

Annexure 1 referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date

Re: Tata Communications Collaboration Services Private Limited (the 'Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets will be physically verified by the management in the next year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, service tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to provident fund, employees' state insurance, sales tax, value added tax, duty of custom and duty of excise are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax, sales-tax, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to provident fund, employees' state insurance, sales tax, value added tax, duty of custom and duty of excise are not applicable to the Company.



- (c) According to the records of the Company, there are no dues of income-tax, sales-tax and value added tax on account of any dispute. The provisions relating to employees' state insurance, duty of custom and duty of excise are not applicable to the Company.
- (viii) According to the information and explanations given by the management, the Company has no dues to banks, financial institutions or debenture holders, hence, reporting under clause (viii) is not applicable to the Company and hence not commented upon.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer or further public offer or debt instruments and term loans, hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and according to the information and explanations given by the management, the provisions of Section 197 of the Act is not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Tata Communications Collaboration Services Private Limited

Page 6 of 8

- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Hormuz Master

Partner

Membership Number: 110797



Place: Mumbai

Date: May 09, 2018

Annexure 2 referred to in paragraph 2 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date.

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 Tata Communications Collaboration Services Private Limited (the 'Company') as of March 31, 2018 in conjunction with our audit of the standalone 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. 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 the 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.

Auditor's 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 judgement, 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 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 March 31, 2018, 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 S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004


per Hormuz Master

Partner

Membership Number: 110797



Place of Signature: Mumbai

Date: May 09, 2018

Tata Communications Collaboration Services Private Limited
BALANCE SHEET AS AT 31 MARCH 2018

₹ in lacs

	Note No.	As at 31-Mar-18	As at 31-Mar-17
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	388.45	272.68
(b) Other Intangible assets	4	10.66	-
(c) Capital work-in-progress		251.12	-
(d) Advance tax (net)		102.08	0.12
Total non-current assets		752.31	272.80
2 Current assets			
(a) Financial assets			
(i) Investments	5	336.58	-
(ii) Trade receivables	6	7,301.83	1,224.51
(iii) Cash and cash equivalents	7	484.15	37.06
(iv) Other financial assets	8	-	2.67
(b) Other assets	9	165.91	3.51
Total current assets		8,288.47	1,267.75
Total assets		9,040.78	1,540.55
II EQUITY AND LIABILITIES			
1 Equity			
(a) Share capital	10	2.00	2.00
(b) Other equity	11	3,681.79	260.38
		3,683.79	262.38
2 Non-current liabilities			
(a) Deferred tax liabilities (net)	12	0.31	4.65
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	-	12.13
(ii) Trade payables	14	4,347.50	838.77
(iii) Other financial liabilities	15	825.11	304.13
(b) Current tax liability (net)		109.62	118.49
(c) Other liabilities	16	74.45	-
Total current liabilities		5,356.68	1,273.52
Total equity and liabilities		9,040.78	1,540.55

See accompanying notes forming part of the financial statements

In terms of our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

Hormuz Master
Partner
Membership No. 110797

Mumbai
Date: 09 May 2018



For and on behalf of the Board of Directors

Director
Director

Mumbai
Date: 09 May 2018



Tata Communications Collaboration Services Private Limited

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

₹ in lacs

	Note No.	For the year ended 31 March 2018	For the year ended 31 March 2017
INCOME			
I Revenue from operations		10,577.62	1,240.07
II Other Income	17	18.90	1.14
III Total income (I + II)		10,596.52	1,241.21
EXPENSES			
Operating and other expenses	18	5,707.39	797.97
Finance costs	19	14.94	1.39
Depreciation and amortisation	20	67.09	22.90
Total expenses		5,789.42	822.26
V Profit before tax (III-IV)		4,807.10	418.95
VI Tax expense	21		
(a) Current tax expense		1,390.03	142.61
(b) Deferred tax - (credit)/ charge		-4.34	4.65
VII Profit for the year (V - VI)		3,421.41	271.69
Earnings per equity share Basic and diluted (of ₹ 10 each)		17,107.05	1,358.45

See accompanying notes forming part of the financial statements

In terms of our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004



Hormuz Master
Partner
Membership No. 110797



Mumbai
Date: 09 May 2018

For and on behalf of the Board of Directors


Director


Director

Mumbai
Date: 09 May 2018



Tata Communications Collaboration Services Private Limited
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 18

A. Equity share capital

₹ in lacs

Particulars	No. of shares	Amount
Balance as at 01 April 2017	20,000	2,00,000.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2018	20,000	2,00,000.00

B. Other equity

₹ in lacs

Particulars	Retained earnings
Balance as at 01 April 2016	-11.31
Profit for the year	271.69
Balance as at 31 March 2017	260.38
Profit for the year	3,421.41
Balance as at 31 March 2018	3,681.79

See accompanying notes forming part of the financial statements

In terms of our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004



Hormuz Master
Partner
Membership No. 110797



Mumbai
Date: 09 May 2018

For and on behalf of the Board of Directors



Director

Director

Mumbai
Date: 09 May 2018

R.L.



TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

₹ in lacs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
1 CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	4,807.10	418.95
Adjustments for:		
Depreciation and amortisation expense	67.09	22.90
Finance cost	14.94	1.39
MTM gain on investments carried at fair value through profit and loss (net)	-4.42	-
Allowance for doubtful trade receivables	0.06	-
Interest income on financial assets carried at amortised cost	-3.02	-1.14
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	4,881.75	442.10
Changes in working capital		
Adjustment for (increase)/decrease in operating assets		
Trade receivables	-6,077.37	-1,224.51
Other current assets	-162.42	-1.41
Other financial assets	-	0.12
Adjustment for increase/ (decrease) in operating liabilities		
Trade payables, other liabilities and provisions	3,508.73	831.13
Other Current liabilities	74.46	-
Other Financial liabilities	80.02	1.21
Cash generated from operations before tax	2,305.17	48.64
Income tax paid	-1,500.85	-24.12
NET CASH FROM OPERATING ACTIVITIES	804.32	24.52
2 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	-	-
Purchase of current investments	-1,365.00	-
Proceeds from sale of current investments	1,032.84	-
Interest received	5.70	-
NET CASH USED IN INVESTING ACTIVITIES	-326.46	-
3 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	622.00	-
Repayment of short-term borrowings	-635.52	-
Interest paid	-17.25	-
NET CASH USED IN FINANCING ACTIVITIES	-30.77	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	447.09	24.52
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR (Refer Note 7 Cash and Cash Equivalents)	37.06	12.54
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	484.15	37.06

Figures in brackets represent outflows.

See accompanying notes forming part of the financial statements

In terms of our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004



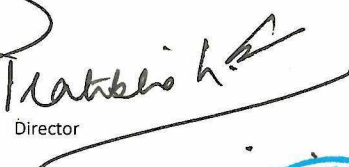
Hormuz Master
Partner
Membership No. 110797

Mumbai
Date: 09 May 2018



For and on behalf of the Board of Directors


Director


Director

Mumbai
Date: 09 May 2018



Tata Communications Collaboration Services Private Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

1. Corporate Information

Tata Communications Collaboration Services Private Limited (formerly known as Wirefree Internet Services Private Limited) ('the Company') was incorporated in India on 24 April 2008. The name of the Company was changed from Wirefree Internet Services Private Limited to Tata Communications Collaboration Services Private Limited with effect from 25 February 2016. The Company provides telecommunication services, voice mail, audiotex services in India including but not limited to cellular telephony, wireless and wireless services, cable television, internet and cable delivered multimedia; to build own and operate such networks and to undertake related management consultancy.

2. Significant accounting policies

a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act 2013.

b. Basis of preparation of financial statements

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 or revalued amount:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer note 2(p)),

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

c. Significant accounting estimates and assumptions

The preparation of these financial statements in conformity with recognition and measurement principles of Ind AS requires the management of the Company to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liability as at the date of the financial statement and the reported amounts of income and expense for the year presented.

Estimate and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the year in which the estimate are revised and future years are affected.

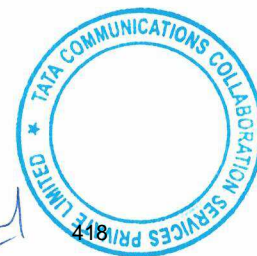
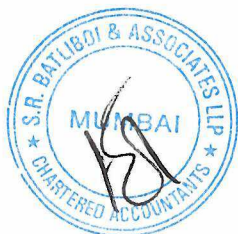
Key sources of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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 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.

Useful lives of assets

The Company reviews the useful life of assets at the end of each reporting year. This reassessment may result in change in depreciation expense in future years.



Tata Communications Collaboration Services Private Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

d. Cash and cash equivalents

Cash comprises cash on hand. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

e. Property, plant and equipment

- i. Property, plant and equipment are stated at cost of acquisition or construction, less accumulated depreciation/ amortisation and impairment loss, if any. Cost includes inward freight, duties, taxes and all incidental expenses incurred to bring the assets ready for their intended use.
- ii. Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date are carried at cost, comprising of direct cost, directly attributable cost and attributable interest.

The depreciable amount for property, plant and equipment is the cost of property, plant and equipment or other amount substituted for cost, less its estimated residual value (wherever applicable). Depreciation on property, plant and equipment has been provided on the straight-line method as per the estimated useful lives. The asset's residual values, estimated useful lives and methods of depreciation are reviewed at each financial year end and any change in estimate is accounted for on a prospective basis.

Estimated useful lives of the asset is as follows:

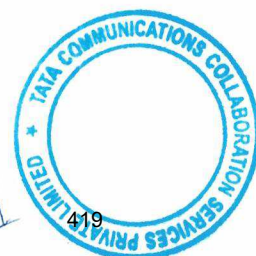
Property, plant and equipments	Useful lives of Assets
Plant and machinery (Refer I below)	
— Network equipment	3 to 8 years

1. In the above case, the useful lives of the assets are different from the useful lives prescribed in Schedule II to the Companies Act, 2013. The useful lives of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.
2. Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the Statement of Profit and Loss in the year of occurrence.

f. Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of financial year. Changes in the expected useful life are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.



Tata Communications Collaboration Services Private Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets are amortised as follows:

Intangible asset	Useful economic lives
Software and Application	3 to 6 years

An intangible assets is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

g. Impairment of non-financial assets

The carrying values of assets/ cash generating units ("CGU") at each balance sheet date are reviewed for impairment, if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at a revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the fair value less costs of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

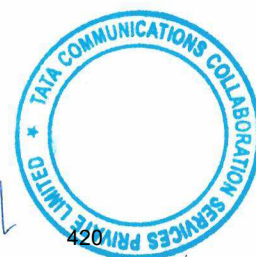
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the Company as a CGU. These budgets and forecast calculations generally cover a significant period. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the significant period.

h. Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being received/ receivable. Revenue is measured at fair value of the consideration received or receivable excluding taxes collected on behalf of the government and is reduced for estimated credit notes and other similar allowances. Types of services and its recognition criteria are as follows:

Revenue from Audio conferencing services is recognised over the period of the respective arrangements based on contracted fee schedules and usage revenue is recognised based on minutes of traffic carried during the month.



Tata Communications Collaboration Services Private Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

i. Other Income

Interest income for all financial instruments measured at amortised cost is recorded on accrual basis. Interest income is included in Other income in the Statement of Profit and Loss.

j. Taxation

Current income tax

Current tax expense is determined in accordance with the provisions of the Income Tax Act, 1961.

Provision for current income taxes and advance taxes paid in respect of the same jurisdiction are presented in the balance sheet after offsetting these balances on an assessment year basis.

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

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

k. Fair value measurement

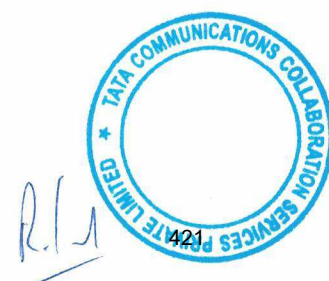
The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

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 principal or the most advantageous market must be accessible by the Company.

The fair value of a financial 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.



Tata Communications Collaboration Services Private Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is 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 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

For assets and liabilities that are recognised in the balance sheet 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 year.

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.

l. Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Foreign currency transactions are converted into INR at rates of exchange approximating those prevailing at the transaction dates or at the average exchange rate for the month in which the transaction occurs. Foreign currency monetary assets and liabilities are outstanding as at the balance sheet date are translated to INR at the closing rates prevailing on the balance sheet date. Exchange differences on foreign currency transactions are recognised in the Statement of Profit and Loss.

Non monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not re-translated.

m. Borrowing costs

Borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

n. Earnings per share

Basic and diluted earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

o. Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not



Tata Communications Collaboration Services Private Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

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. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.

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

Provisions and contingent liabilities are reviewed at each balance sheet date.

p. Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of an instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A. Financial assets

i. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are measured at FVTOCI if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

iii. Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets are measured at FVTPL unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

iv. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (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.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.



Tata Communications Collaboration Services Private Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at lower of the original carrying amount of the asset and maximum amount of consideration that the Company could be required to repay.

v. Impairment of financial assets

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

- Financial assets measured at amortised cost;
- Financial assets measured at FVTOCI;

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- trade receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at reporting date.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For assessing ECL on a collective basis, financial assets have been grouped on the basis of shared risk characteristics and basis of estimation may change during the course of time due to change in risk characteristics.

B. Financial liabilities

i. Loans and borrowings

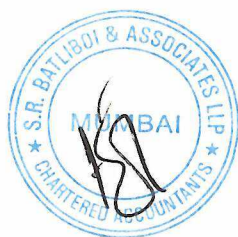
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost on accrual basis and using the EIR method.

ii. De-recognition

A financial liability is de-recognised 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 de-recognition 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.

C. 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.



Tata Communications Collaboration Services Private Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

D. Derivative financial instruments - Initial and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

q. Recent accounting pronouncements

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary, including the available transition methods. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. A reliable estimate of the impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed."



Tata Communications Collaboration Services Private Limited
Notes forming part of the financial statements
for the year ended 31 March 2018

3. Property, plant and equipment

Amount in ₹ lacs			
Particulars	Plant and Machinery	Computers	Total
Cost			
Balance as at 1 April 2016	105.91	0.57	106.48
Additions	190.66	-	190.66
Disposals/ adjustments	-	-	-
Balance as at 31 March 2017	296.57	0.57	297.14
Additions	181.86	-	181.86
Disposals/ adjustments	-	-	-
Balance as at 31 March 2018	478.43	0.57	479.00
Accumulated depreciation			
Balance as at 1 April 2016	1.54	0.02	1.56
Depreciation	22.71	0.19	22.90
Disposals/ adjustments	-	-	-
Balance at 31 March 2017	24.25	0.21	24.46
Depreciation	65.90	0.19	66.09
Disposals/ adjustments	-	-	-
Balance as at 31 March 2018	90.15	0.40	90.55
Carrying amount			
Balance as at 31 March 2017	272.32	0.36	272.68
Balance as at 31 March 2018	388.28	0.17	388.45

4. Intangible assets

Amount in ₹ lacs	
Particulars	Software
Cost	
Balance as at 1 April 2016	-
Additions	-
Disposals/ adjustments	-
Balance as at 31 March 2017	-
Additions	11.66
Disposals/ adjustments	-
Balance as at 31 March 2018	11.66
Accumulated depreciation	
Balance as at 1 April 2016	-
Depreciation	-
Disposals/ adjustments	-
Balance as at 31 March 2017	-
Depreciation	1.00
Disposals/ adjustments	-
Balance as at 31 March 2018	1.00
Carrying amount	
Balance as at 31 March 2017	-
Balance as at 31 March 2018	10.66



Tata Communications Collaboration Services Private Limited
Notes forming part of the financial statements
for the year ended 31 March 2018

5. Investments

	Amount in ₹ lacs	
	As at 31 March 2018	As at 31 March 2017
Current		
Investments at FVTPL	336.58	-
Total	336.58	-

6. Trade Receivables

	Amount in ₹ lacs	
	As at 31 March 2018	As at 31 March 2017
Unsecured		
Considered good	7,301.89	1,224.51
Less: allowances for doubtful debts	(0.06)	-
Total	7,301.83	1,224.51

7. Cash and cash equivalents

	Amount in ₹ lacs	
	As at 31 March 2018	As at 31 March 2017
a. Current accounts with scheduled banks	484.15	25.06
b. Deposits accounts with scheduled banks (refer note i below)	-	12.00
Total	484.15	37.06

Note:

- i. The Company has pledged a part of its short-term deposits to fulfil collateral requirements. The Company has placed fixed deposits of ₹ Nil (31 March 2017: ₹ 12 lacs) for issuance of bank guarantee.

8. Other financial assets

	Amount in ₹ lacs	
	As at 31 March 2018	As at 31 March 2017
Current		
a. Interest accrued but not due – Unsecured, considered good	-	2.67
Total	-	2.67



Tata Communications Collaboration Services Private Limited
Notes forming part of the financial statements
for the year ended 31 March 2018

9. Other assets

		Amount in ₹ lacs	
		As at 31 March 2018	As at 31 March 2017
Current			
Unsecured – considered good			
a.	Goods and Service tax receivable	132.49	3.51
b.	Prepaid expenses	33.42	-
	Total	165.91	3.51

10. Equity share capital

		Amount in ₹ lacs	
		As at 31 March 2018	As at 31 March 2017
a.	Authorised:		
	150,000 (31 March 2017: 150,000) Equity shares of ₹ 10 each	15.00	15.00
b.	Issued, subscribed and paid up:		
	20,000 (31 March 2017: 20,000) Equity shares of ₹ 10 each fully paid up	2.00	2.00

a. Issued, subscribed and paid up:

There is no change in the issued, subscribed and paid up share capital of the Company during the current year.

b. Terms/ rights attached to equity shares:

The Company has only one class of equity shares with a face value of ₹ 10 per share. Each shareholder of equity shares is entitled to one vote per share at any general meeting of shareholders. 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.



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Tata Communications Collaboration Services Private Limited
Notes forming part of the financial statements
for the year ended 31 March 2018

c. Number of shares held by each shareholder holding more than 5% of the issued share capital:

	As at 31 March 2018		As at 31 March 2017	
	No of shares	Percentage	No of shares	Percentage
Tata Communications Limited (Holding Company)	20,000	100%	20,000	100%

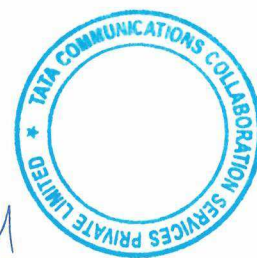
11. Other equity

	Amount in ₹ lacs	
	As at 31 March 2018	As at 31 March 2017
a. Retained earnings	3,681.79	260.38
Total	3,681.79	260.38

12. Deferred tax liability (net)

Major components of deferred tax asset and liability consist of the following:

	As at 1 April 2017	Recognised in profit or loss	Recognised in other comprehensive income	As at 31 March 2018
Deferred tax asset arising out of timing differences on:				
Provision for doubtful debts	-	0.02	-	0.02
Deferred tax liability arising out of timing differences on:				
Difference between accounting and tax depreciation/amortisation	4.65	(4.32)	-	0.33
Total Deferred tax liabilities	4.65	(4.34)	-	0.31



Tata Communications Collaboration Services Private Limited
Notes forming part of the financial statements
for the year ended 31 March 2018

Amount in ₹ lacs

Major components of deferred tax asset and liability consist of the following:

	As at 1 April 2016	Recognised in profit or loss	Recognised in other comprehensive income	As at 31 March 2017
Deferred tax liability arising out of timing differences on:				
Difference between accounting and tax depreciation/ amortisation	-	4.65	-	4.65
Total Deferred tax liabilities	-	4.65	-	4.65

13. Borrowings

Amount in ₹ lacs

	As at 31 March 2018	As at 31 March 2017
Current		
Unsecured		
Loan from holding Company (Rate of interest – Nil (31 March 2017: 11.50%))	-	12.13
Total	-	12.13

14. Trade payables

Amount in ₹ lacs

	As at 31 March 2018	As at 31 March 2017
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Payable to related parties	4,225.32	837.23
- Other creditors	122.18	1.54
Total	4,347.50	838.77

15. Other financial liabilities

Amount in ₹ lacs

	As at 31 March 2018	As at 31 March 2017
Current		
a. Interest payable to holding Company	-	3.70
b. Deposits from customers and contractors	0.10	0.10
c. Capital creditors – Payable to related parties	825.01	300.33
Total	825.11	304.13



Tata Communications Collaboration Services Private Limited
Notes forming part of the financial statements
for the year ended 31 March 2018

16. Other current liabilities

		Amount in ₹ lacs	
		As at 31 March 2018	As at 31 March 2017
Current			
a.	Statutory dues payable	56.66	-
b.	Deferred revenue	17.79	-
Total		74.45	-

17. Other income

		Amount in ₹ lacs	
		For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income on financial assets carried at amortised cost			
-	Bank deposits	3.02	1.14
Gain on investments carried at fair value through profit and loss		4.42	-
Foreign exchange gain (net)		11.46	-
Total		18.90	1.14

18. Operating and other expenses

		Amount in ₹ lacs	
		For the year ended 31 March 2018	For the year ended 31 March 2017
a.	Network and transmission expenses	4,616.18	686.21
b.	Services rendered by related parties	1,052.94	108.53
c.	Provision for doubtful trade receivables	0.06	-
d.	Corporate social responsibility expenditure	0.30	-
e.	Other expenses (Refer note 22)	37.91	3.23
Total		5,707.39	797.97

- i. As required by the Companies Act, 2013 and rules thereon, gross amount required to be spent by the Company during the year toward Corporate Social Responsibility (CSR) amount to ₹ 2.73 lacs (2017: ₹ Nil). The Company has spent ₹ 0.30 lacs (2017: ₹ Nil) during the year on CSR activities mainly for training program.



Tata Communications Collaboration Services Private Limited
Notes forming part of the financial statements
for the year ended 31 March 2018

19. Finance costs

	Amount in ₹ lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest on loan from Holding Company	14.94	1.39
Total	14.94	1.39

20. Depreciation and amortisation

	Amount in ₹ lacs	
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation on property, plant and equipment(note 3)	66.09	22.90
Amortisation on intangible assets (note 4)	1.00	-
Total	67.09	22.90

21. Income tax

i. Income tax recognised in statement of profit and loss

	Amount in ₹ lacs	
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<u>Current tax</u>		
In respect of current year	1,390.03	142.61
Total Current tax (a)	1,390.03	142.61
<u>Deferred tax</u>		
In respect of the current year	0.30	2.38
In respect of the earlier year	(4.64)	2.27
Total deferred tax (b)	(4.34)	4.65
Total Income tax (a + b)	1,385.69	147.26



Tata Communications Collaboration Services Private Limited
Notes forming part of the financial statements
for the year ended 31 March 2018

- ii. The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Amount in ₹ lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit before tax from continuing operations	4,807.10	418.95
Income tax expense calculated at 28.80% tax rate (2016 - 2017: 34.608% tax rate)	1,385.69	144.99
Reasoning		
Fixed assets – No deferred tax created in prior year pertaining to opening difference	-	2.27
Income tax expense recognised in profit or loss	1,385.69	147.26

22. Auditor's remuneration:

(Included in Other expenses under operating and other expenses – Refer note 18)

	Amount in ₹ lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Payment to statutory auditors		
i. Audit fees	7.50	0.25

Above amount excludes GST/ Service tax

23. Earnings per share

	Amount in ₹ lacs	
	As at 31 March 2018	As at 31 March 2017
Net profit after tax attributable to the equity shareholders (A)	3,421.41	271.69
Number of equity shares outstanding at the end of the year	0.20	0.20
Weighted average number of shares outstanding during the year (B)	0.20	0.20
Basic and diluted earnings per share (₹ per equity share of ₹ 10 each) (A/B)	17,107.05	1,358.45

24. Segment reporting

The Company is engaged in telecommunication services, voice mail, audiotex services in India including but not limited to cellular telephony, wireless and wireless services, cable television, internet and cable delivered multimedia; to build own and operate such networks and to undertake related management consultancy.



Tata Communications Collaboration Services Private Limited
Notes forming part of the financial statements
for the year ended 31 March 2018

The Company geographical segment is as per the table below:

Country	Amount in ₹ lacs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
United States of America	5,108.05	892.54
India	4,040.15	347.43
United Kingdom	1,118.68	0.10
Others	310.74	-
Total	10,577.62	1,240.07

Information about major customers:

Name	Amount in ₹ lacs	
	Year ended 31 March 2018	Year ended 31 March 2017
Customer C	5,108.05	-
Customer A	1,118.68	892.54
Customer B	223.51	151.69

25. Related Party Transactions

i. Names of related parties and nature of relationship

Sr No	Category of related parties	Names
A	Holding Company	Tata Communications Limited
B	Affiliates of Holding Company	Tata Sons Limited
		Tata Teleservices Limited
		Tata Consultancy Services Limited
		Tata AIG General Insurance Company Limited
		AirAsia (India) Limited
		Automotive Stampings and Assemblies Limited
		Ecofirst Services Limited
		Infiniti Retail Limited
		TASEC Limited (formerly TAS-AGT Systems Limited)
		Tata Advanced Materials Limited
		Tata Advanced Systems Limited



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Tata Communications Collaboration Services Private Limited
Notes forming part of the financial statements
for the year ended 31 March 2018

Tata AIA Life Insurance Company Limited

Tata AutoComp GY Batteries Private Limited (formerly Tata AutoComp GY Batteries Limited)

Tata Autocomp Hendrickson Suspensions Private Limited (formerly Taco Hendrickson Suspensions Private Limited)

Tata Autocomp Katcon Exhaust Systems Private Limited (formerly Katcon India Private Limited)

Tata Autocomp Systems Limited

Tata Boeing Aerospace Limited (formerly Tata Aerospace Limited)

Tata Capital Financial Services Limited

Tata Consulting Engineers Limited

Tata Housing Development Company Limited

Tata Interactive Systems GmbH

Tata International Limited

Tata SIA Airlines Limited

Tata Sikorsky Aerospace Limited (formerly Tata Aerospace Systems Limited)

Tata Sky Broadband Private Limited (formerly Quickest Broadband Private Limited)

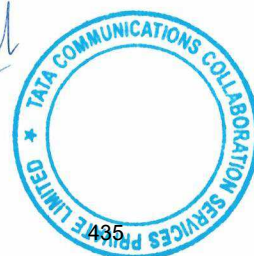
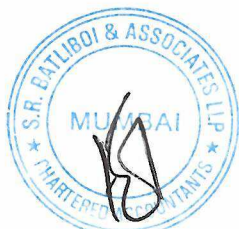
Tata Sky Limited

Tata Toyo Radiator Limited

Tata Unistore Limited (formerly Tata Industrial Services Limited)

Tata Capital Forex Limited (formerly TT Holdings & Services Limited) (ceased w.e.f. 30.10.2017)

Tata Asset Management Limited



Tata Communications Collaboration Services Private Limited
Notes forming part of the financial statements
for the year ended 31 March 2018

C	Fellow subsidiaries*	Tata Ficoso Automotive Systems Private Limited (Tata Ficoso Automotive Systems Limited)
		Tata Business Support Services Limited (Ceased to be a subsidiary and is an associate w.e.f. 27.11.2017)
		Tata Communications Transformation Services Limited
		Tata Communications (America) Limited
		Tata Communications (UK) Limited
		Tata Communications (Canada) Limited
		Tata Communications Deutschland GmbH
		Tata Communications (Hong kong) Limited
		Tata Communications (Netherlands) BV
		Tata Communications International Pte Ltd

* Where transactions have taken place or there are balances

Reimbursement made of expenses incurred by related party for business purpose of the Company, or reimbursement received for expenses incurred by the Company on behalf of a related party shall not be deemed related party transactions.



Tata Communications Collaboration Services Private Limited
Notes forming part of the financial statements
for the year ended 31 March 2018

ii. Summary of transactions and balances with related parties

Particulars	Amount in ₹ lacs			
	Holding company	Affiliates	Fellow subsidiaries	Total
<u>Transactions during the year</u>				
Revenue from operations	136.43	593.01	6,555.17	7,284.61
	-	-	892.64	892.64
Operating and other expenses	570.21	1,590.84	832.11	2,993.16
	64.64	180.61	43.90	289.15
Finance costs	14.94	-	-	14.94
	1.39	-	-	1.39
Fixed assets purchased	524.68	-	-	524.68
	191.74	-	-	191.74
<u>Closing balances</u>				
Trade receivables	417.58	302.06	5,093.58	5,813.22
	4.75	-	892.64	897.39
Loan taken	623.39	-	-	623.39
	12.13	-	-	12.13
Loan repaid	635.52	-	-	635.52
	-	-	-	-
Trade payables	1,185.33	2,176.16	863.83	4,225.32
	577.20	180.61	79.42	837.23
Other financial liabilities - Current	825.01	-	-	825.01
	300.33	-	-	300.33
Interest payable	-	-	-	-
	3.70	-	-	3.70

Previous year figures are in italics

26. Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(p) to the financial statements.



Tata Communications Collaboration Services Private Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2018 and 31 March 2017 are as follows:

	Amount in ₹ lacs	
	As at 31 March 2018	As at 31 March 2017
Financial assets:		
Investments	336.58	-
Trade receivables	7,301.83	1,224.51
Other financial assets	-	2.67
Cash and cash equivalents	484.15	37.06
Total	8,122.56	1,264.24
Financial liabilities:		
Borrowings	-	12.13
Trade payables	4,347.50	838.77
Other financial liabilities	825.11	304.13
Total	5,172.61	1,155.03

Carrying amounts of cash and cash equivalents, trade receivables and trade payables as at 31 March 2018 and 31 March 2017 approximate the fair value because of their short-term nature. Difference between carrying amount and fair value of other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

27. Financial risk management objectives and policies

The Company's principal financial liabilities comprise of borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company also enters into derivative transactions.

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 ensures that 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. The senior management reviews and agrees policies for managing each of these risks, which are summarised below.

a. 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. Financial instruments affected by market risk include borrowings and deposits.

The analysis exclude the impact of movements in market variables on: provisions; and the non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analysis:



Tata Communications Collaboration Services Private Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018 and 31 March 2017.

b. Foreign currency sensitivity

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's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company's objective is to try and protect the underlying values of the Company's balance sheet forex exposures. Exposures are broadly categorized into receivables and payable exposures.

The Company manages its foreign currency risk by entering into derivatives on Net Exposures, i.e. netting off the Receivable and Payable exposures in order to take full benefit of natural hedge.

Non-crystallised (not in books) exposures for which cash flows are highly probable are considered for hedging after due consideration of cost of cover, impact of such derivatives on Statement of Profit and Loss due to MTMs (mark to market loss or gains), market / industry practices, regulatory restrictions etc.

As regard net investments in foreign operations, hedging decisions are guided by regulatory requirement, accounting practices and in consultation and approval of Senior Management on such hedging action.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rate shift of all the currencies by 5% against the functional currency of the Company.

The following analysis has been worked out based on the net exposures of the Company as of the date of balance sheet which would affect the statement of Profit and Loss and equity.

The following table sets forth information relating to foreign currency exposure (net) as at 31 March 2018 and 31 March 2017.

Currency	USD	GBP
As at 31 March 2018		
Financial assets (net of financial liabilities)	4,457.62	8.70

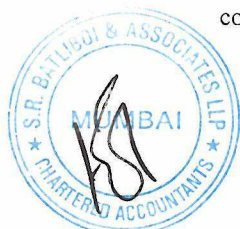
Currency	USD
As at 31 March 2017	
Financial assets	813.22

5% appreciation/ depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/ increase in the Company's profit before tax by approximately ₹ 223.32 lacs (2016 - 2017: ₹ 40 lacs) for the year ended 31 March 2018.

c. 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) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

In determining the allowances for doubtful trade receivables the Company will use simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision



Tata Communications Collaboration Services Private Limited

Notes forming part of the financial statements

for the year ended 31 March 2018

matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables as mentioned below:

Ageing of receivables	Amount in ₹ lacs	
	As at 31 March 2018	As at 31 March 2017
Within credit period	5,786.14	977.08
31-90 days	1,093.60	223.40
91-180 days	261.93	18.21
181-360 days	160.15	5.83
More than 360 days	-	-
Total	7,301.83	1,224.51

d. Liquidity risk

The Company monitors its risk of shortage of funds using a liquidity planning tool.

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at 31 March 2018	Amount in ₹ lacs			
	On demand	0 to 12 months	1 to 5 years	Total
Other financials liabilities	825.11	-	-	825.11
Trade Payables	2,685.68	1,661.82	-	4,347.50

As at 31 March 2017	Amount in ₹ lacs			
	On demand	0 to 12 months	1 to 5 years	Total
Borrowings – Current	-	12.13	-	12.13
Other financials liabilities	0.10	3.70	-	3.80
Trade Payables	341.94	797.15	-	1,139.09

28. Events after the reporting period

There are no subsequent events between the year ended 31 March 2018 and signing of financial statements as on 09 May 2018 which have material impact on the financials of the Company.

29. Approval of financial statements

The financial statements were approved for issue by the board of directors on 09 May 2018.



Tata Communications Collaboration Services Private Limited
Notes forming part of the financial statements
for the year ended 31 March 2018

30. Previous year's figures have been regrouped/rearranged where necessary to confirm to current year's classification/disclosure.

The figures of previous year were audited by a firm of Chartered Accountants other than S.R. Batliboi & Associates LLP.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/ E300004

For and on behalf of the Board of Directors



Hormuz Master

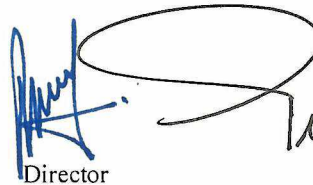
Partner

Membership No. 110797



MUMBAI

DATE: 09 May 2018



Director

MUMBAI

DATE: 09 May 2018



Director



Suresh Surana & Associates LLP

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ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

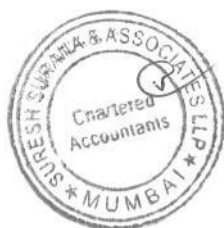
On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **VSNL SNOSPV Pte Ltd** ("the subsidiary") registered in Singapore as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010


(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

VSNL SNOSPV PTE LIMITED

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
			USD	INR*	USD	INR*
(A)	ASSETS					
(1)	Non-current assets					
	Investments in subsidiary & associates	1	-	-	20,551,509	1,334,203,936
	Other non-current assets	2	-	-	-	-
			-	-	20,551,509	1,334,203,936
(2)	Current assets					
	Financial assets					
	(i) Cash and cash equivalent	3	51,874	3,381,164	149,774	9,723,327
			51,874	3,381,164	149,774	9,723,327
	TOTAL ASSETS		51,874	3,381,164	20,701,283	1,343,927,262
(B)	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity share capital	4	769,333	50,145,125	769,333	49,945,098
	Other equity	5	(49,190,673)	(3,206,248,051)	(45,335,328)	(2,943,169,519)
	Total Equity		(48,421,340)	(3,156,102,927)	(44,565,995)	(2,893,224,420)
(2)	Non-current liabilities					
	Financial liabilities					
	(i) Borrowings	6	16,416	1,069,998	5,014,696	325,554,073
	(ii) Other financial liabilities	7	24,680,000	1,608,642,400	24,680,000	1,602,225,600
			24,696,416	1,609,712,398	29,694,696	1,927,779,673
(3)	Current liabilities					
	Financial liabilities					
	(i) Trade payables	8	271,362	17,687,374	15,686,587	1,018,373,214
	(ii) Other financial liabilities	9	22,353,995	1,457,033,394	19,885,995	1,290,998,795
	Current tax liabilities (Net)		1,151,441	75,050,924	-	-
			23,776,798	1,549,771,692	35,572,582	2,309,372,010
	TOTAL EQUITY AND LIABILITIES		51,874	3,381,164	20,701,283	1,343,927,262

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR*	USD	INR*
i	Revenue from telecommunications services	10	-	-	-	-
ii	Other Income		18,188	1,185,518	574,162,714	37,274,643,361
iii	Total income (i + ii)		18,188	1,185,518	574,162,714	37,274,643,361
iv	Expenses:	11 12				
(i)	Operating and other expenses		199,379	12,995,531	6,518,226	423,163,202
(ii)	Finance costs		2,680,064	174,686,572	19,844,829	1,288,326,318
(iii)	Impairment of investment		(157,351)	(10,256,132)	(35,302,000)	(2,291,805,871)
	Total expenses		2,722,092	177,425,971	(8,938,946)	(580,316,352)
v	Profit before taxes (iii-iv)		(2,703,904)	(176,240,453)	583,101,659	37,854,959,713
vi	Tax expenses					
(i)	Current tax expense/(benefit)		1,151,441	75,050,924	-	-
(ii)	Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		1,151,441	75,050,924	-	-
vii	Profit / (loss) for the year (v-vi)		(3,855,345)	(251,291,378)	583,101,659	37,854,959,713

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



VSNL SNOSPV PTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
1 Investments in subsidiaries

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Investments in subsidiaries	237,005,751	15,448,034,827	449,586,462	29,187,153,081
Impairment of investment in subsidiaries	(237,005,751)	(15,448,034,827)	(429,034,953)	(27,852,949,145)
Total	-	-	20,551,509	1,334,203,936

2 Non-current assets - others

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Others	27,359,693	1,783,304,788	27,359,693	1,776,191,268
Provision for doubtful loan and advance	(27,359,693)	(1,783,304,788)	(27,359,693)	(1,776,191,268)
Total	-	-	-	-

3 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Cash in hand	51,874	3,381,164	149,774	9,723,327
Total	51,874	3,381,164	149,774	9,723,327

4 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	769,333	50,145,125	769,333	49,945,098
Total	769,333	50,145,125	769,333	49,945,098

5 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(45,335,328)	(2,954,956,674)	(628,436,988)	(40,798,129,232)
Profit / (loss) for the year	(3,855,345)	(251,291,378)	583,101,659	37,854,959,713
Total	(49,190,673)	(3,206,248,051)	(45,335,328)	(2,943,169,519)

6 Non-current liabilities - borrowings

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Unsecured borrowings - Inter company loans taken	16,416	1,069,998	5,014,696	325,554,073
Total	16,416	1,069,998	5,014,696	325,554,073



7 Non-current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Preference share capital	24,680,000	1,608,642,400	24,680,000	1,602,225,600
Total	24,680,000	1,608,642,400	24,680,000	1,602,225,600

8 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	45,726	2,980,416	7,500,623	486,940,464
Inter Company - Payables	225,636	14,706,958	8,185,964	531,432,750
Total	271,362	17,687,374	15,686,587	1,018,373,214

9 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Dividend payable	22,353,995	1,457,033,394	19,885,995	1,290,998,795
Total	22,353,995	1,457,033,394	19,885,995	1,290,998,795

10 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest income - security deposit	18,188	1,185,518	5,962,528	387,087,307
Miscellaneous income	-	-	568,200,186	36,887,556,054
Total	18,188	1,185,518	574,162,714	37,274,643,361

11 Other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Auditors remuneration	8,701	567,115	7,382	479,256
Communication expenses	-	-	494	32,079
Exchange (Gain)/Loss -Net	366,813	23,908,894	3,740,095	242,806,999
Legal and professional fees	(178,801)	(11,654,239)	2,640,740	171,436,847
Miscellaneous expenses	2,623	170,945	3,471	225,317
Travelling and conveyance expenses	43	2,816	126,043	8,182,703
Total	199,379	12,995,531	6,518,226	423,163,202

12 Finance costs

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Interest expenses	-	-	14,599,218	947,781,236
Proposed dividend	2,468,000	160,864,240	2,468,000	160,222,560
Guarantee fees	212,064	13,822,332	2,777,611	180,322,522
Total	2,680,064	174,686,572	19,844,829	1,288,326,318



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (South Korea) Limited** ("the subsidiary") registered in South Korea as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010


(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
		USD	INR*	USD	INR*
(A) ASSETS					
(1) Non-current assets					
Property, plant and equipment	1	-	-	-	-
		-	-	-	-
(2) Current assets					
Financial assets	2	146,336	9,538,181	-	-
(i) Trade receivables	3	109,677	7,148,747	228,149	14,811,433
(ii) Cash and cash equivalent		71,269	4,645,313	-	-
Other current assets		327,282	21,332,241	228,149	14,811,433
TOTAL ASSETS		327,282	21,332,241	228,149	14,811,433
(B) EQUITY AND LIABILITIES					
(1) Equity					
Equity share capital	4	260,825	17,000,574	260,825	16,932,759
Other equity	5	(13,911)	(906,719)	(40,451)	(2,626,079)
Total Equity		246,914	16,093,855	220,374	14,306,680
(2) Current liabilities					
Financial liabilities					
(i) Trade payables	6	1,070	69,743	2,182	141,655
Other current liabilities	7	67,941	4,428,394	4,167	270,522
Provisions	8	11,224	731,580	1,426	92,576
Current tax liabilities (Net)		133	8,669	-	-
		80,368	5,238,386	7,775	504,753
TOTAL EQUITY AND LIABILITIES		327,282	21,332,241	228,149	14,811,433

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR	USD	INR
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	9	395,056	25,749,750	-	-
ii	Other Income	10	17,940	1,169,329	-	-
iii	Total income (i + ii)		412,996	26,919,079	-	-
iv	Expenses:					
	Network and transmission expenses	11	132	8,604	-	-
	Employee benefits expenses	12	319,983	20,856,492	26,032	1,689,997
	Operating and other expenses	13	32,315	2,106,291	14,419	936,082
	Total expenses		352,430	22,971,387	40,451	2,626,079
v	Profit / (loss) before exceptional items and taxes (iii - iv)		60,566	3,947,692	(40,451)	(2,626,079)
vi	Exceptional items:					
	Staff cost optimisation		(33,894)	(2,209,211)	-	-
vii	Profit / (loss) before taxes (v + vi)		26,672	1,738,481	(40,451)	(2,626,079)
viii	Tax expenses					
	(i) Current tax expense/(benefit)		133	8,669	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		133	8,669	-	-
ix	Profit / (loss) for the year (vii-viii)		26,539	1,729,812	(40,451)	(2,626,079)

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Gross block:				
Computers	1,385	90,274	-	-
(a)	1,385	90,274	-	-
Accumulated depreciation:				
Computers	1,385	90,274	-	-
(b)	1,385	90,274	-	-
Net block (a) - (b)	-	-	-	-

2 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	42,344	2,759,982	-	-
Intercompany receivables	103,992	6,778,199	-	-
Total	146,336	9,538,181	-	-

3 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	109,677	7,148,747	228,149	14,811,433
Total	109,677	7,148,747	228,149	14,811,433

4 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	260,825	17,000,574	260,825	16,932,759
Total	260,825	17,000,574	260,825	16,932,759



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(40,450)	(2,636,531)	-	-
Profit / (loss) for the year	26,539	1,729,812	(40,451)	(2,626,079)
Closing balance	(13,911)	(906,719)	(40,451)	(2,626,079)

6 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	1,070	69,743	2,182	141,655
Total	1,070	69,743	2,182	141,655

7 Current liabilities - other current liabilities

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Other Employee dues	65,595	4,275,482	2,511	163,014
Other Statutory dues	869	56,641	-	-
Others	1,477	96,271	1,656	107,508
Total	67,941	4,428,394	4,167	270,522

8 Current liabilities - provisions

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Leave entitlement	11,224	731,580	1,426	92,576
Total	11,224	731,580	1,426	92,576

9 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	395,056	25,749,750	-	-
Total	395,056	25,749,750	-	-



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

10 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Exchange gain -Net	17,940	1,169,329	-	-
Total	17,940	1,169,329	-	-

11 Network and transmission expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Charges for use of transmission facilities	132	8,604	-	-
Total	132	8,604	-	-

12 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Salaries, bonus and allowances	319,630	20,833,483	25,861	1,678,896
Contribution to provident and other funds	-	-	171	11,101
Staff welfare expenses	353	23,009	-	-
Total	319,983	20,856,492	26,032	1,689,997

13 Operating and other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Communication expenses	1,682	109,633	241	15,646
Entertainment expenses	3,402	221,742	485	31,486
Exchange loss -Net	-	-	9,543	619,532
Legal and professional fees	21,201	1,381,881	2,113	137,176
Miscellaneous expenses	2,535	165,231	362	23,501
Printing and stationery	42	2,738	18	1,169
Recruitment expenses	741	48,298	-	-
Travelling and conveyance expenses	2,712	176,768	1,657	107,572
Total	32,315	2,106,291	14,419	936,082



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the accounting records and other information and explanations provided to us by the management, we have compiled the balance sheet of **Nexus Connexion (SA) Pty Ltd.** ("the subsidiary") registered in South Africa as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- Preparation and presentation of financial statements in accordance with the applicable laws and regulations, if any;
- Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar V.
(Vinodkumar Varma)
PARTNER
Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

Nexus Connexion (SA) Pty Ltd

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
			ZAR	INR*	ZAR	INR*
(A)	ASSETS					
(1)	Current assets					
	Financial assets					
	(i) Cash and cash equivalent	1	6,863	37,815	6,863	33,285
			6,863	37,815	6,863	33,285
	TOTAL ASSETS		6,863	37,815	6,863	33,285
(B)	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity share capital	2	10,000	55,100	10,000	48,500
	Other equity	3	(166,897)	(919,602)	(126,900)	(615,465)
	Total Equity		(156,897)	(864,502)	(116,900)	(566,965)
(2)	Current liabilities					
	Financial liabilities					
	(i) Trade payables	4	163,760	902,317	123,763	600,250
			163,760	902,317	123,763	600,250
	TOTAL EQUITY AND LIABILITIES		6,863	37,815	6,863	33,285

*Exchange rate as at 31 March 2018 1 ZAR = INR 5.51 (as at 31 March 2017 1 ZAR = INR 4.85)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			ZAR	INR*	ZAR	INR*
i	Revenue from telecommunications services		-	-	-	-
ii	Other Income		-	-	-	-
iii	Total income (i + ii)		-	-	-	-
iv	Expenses:					
	(i) Operating and other expenses	5	39,996	220,377	116,900	566,965
	Total expenses		39,996	220,377	116,900	566,965
v	Profit before taxes (iii - iv)		(39,996)	(220,377)	(116,900)	(566,965)
vi	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	Profit / (loss) for the year (v-vi)		(39,996)	(220,377)	(116,900)	(566,965)

*Exchange rate as at 31 March 2018 1 ZAR = INR 5.51 (as at 31 March 2017 1 ZAR = INR 4.85)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	ZAR	INR	ZAR	INR
Balance with bank	6,863	37,815	6,863	33,285
Total	6,863	37,815	6,863	33,285

2 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	ZAR	INR	ZAR	INR
Equity share capital	10,000	55,100	10,000	48,500
Total	10,000	55,100	10,000	48,500

3 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	ZAR	INR	ZAR	INR
Surplus / (Deficit)		-		-
Opening balance	(256,901)	(1,415,525)	(140,001)	(679,005)
Profit / (loss) for the year	(39,996)	(220,377)	(116,900)	(566,965)
Closing balance	(296,897)	(1,635,902)	(256,901)	(1,245,970)
Preference share capital	-	-	1	5
Share premium	130,000	716,300	130,000	630,500
Total	(166,897)	(919,602)	(126,900)	(615,465)

4 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	ZAR	INR	ZAR	INR
Trade payable	163,760	902,317	123,763	600,250
Total	163,760	902,317	123,763	600,250

5 Other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	ZAR	INR	ZAR	INR
Auditors remuneration	-	-	96,900	469,965
Legal and professional fees	39,996	220,377	20,000	97,000
Total	39,996	220,377	116,900	566,965



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications Transformation Services (Hungary) Kft** ("the subsidiary") registered in Hungary as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar Varma
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

Tata Communications Transformation Services (Hungary) Kft

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
			HUF	INR*	HUF	INR*
(A)	ASSETS					
(1)	Current assets					
	Financial assets					
	(i) Cash and cash equivalent	1	22,599,931	5,800,950	3,000,000	674,687
			22,599,931	5,800,950	3,000,000	674,687
	TOTAL ASSETS		22,599,931	5,800,950	3,000,000	674,687
(B)	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity share capital	2	22,650,000	5,813,802	3,000,000	674,687
	Other equity	3	(12,219,428)	(3,136,483)	(3,082,168)	(693,166)
	Total Equity		10,430,572	2,677,319	(82,168)	(18,479)
(2)	Current liabilities					
	Financial liabilities					
	(i) Trade payables	4	12,169,359	3,123,631	3,082,168	693,166
			12,169,359	3,123,631	3,082,168	693,166
	TOTAL EQUITY AND LIABILITIES		22,599,931	5,800,950	3,000,000	674,687

*Exchange rate as at 31 March 2018 1 HUF = INR 0.26 (as at 31 March 2017 1 HUF = INR 0.22)



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			HUF	INR*	HUF	INR*
i	Revenue from telecommunications services	5	-	-	-	-
ii			4	1	-	-
iii	Total income (i + ii)		4	1	-	-
iv	Expenses:	6				
	(i) Operating and other expenses		9,137,264	2,345,353	3,082,168	693,166
	Total expenses		9,137,264	2,345,353	3,082,168	693,166
v	Profit before taxes (iii - iv)		(9,137,260)	(2,345,352)	(3,082,168)	(693,166)
vi	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	Profit / (loss) for the year (v-vi)		(9,137,260)	(2,345,352)	(3,082,168)	(693,166)

*Exchange rate as at 31 March 2018 1 HUF = INR 0.26 (as at 31 March 2017 1 HUF = INR 0.22)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	HUF	INR	HUF	INR
Balance with bank	22,599,931	5,800,950	3,000,000	674,687
Total	22,599,931	5,800,950	3,000,000	674,687

2 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	HUF	INR	HUF	INR
Equity share capital	22,650,000	5,813,802	3,000,000	674,687
Total	22,650,000	5,813,802	3,000,000	674,687

3 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	HUF	INR	HUF	INR
Surplus / (Deficit)				
Opening balance	(3,082,168)	(791,131)	-	-
Profit / (loss) for the year	(9,137,260)	(2,345,352)	(3,082,168)	(693,166)
Closing balance	(12,219,428)	(3,136,483)	(3,082,168)	(693,166)

4 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	HUF	INR	HUF	INR
Trade payable	12,169,359	3,123,631	3,082,168	693,166
Total	12,169,359	3,123,631	3,082,168	693,166

5 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	HUF	INR	HUF	INR
Interest income - others	4	1	-	-
Total	4	1	-	-

6 Other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	HUF	INR	HUF	INR
Legal and professional fees	9,071,786	2,328,546	3,082,168	693,166
Miscellaneous expenses	65,478	16,807	-	-
Total	9,137,264	2,345,353	3,082,168	693,166



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications Transformation Services Pte. Ltd.** ("the subsidiary") registered in Singapore as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar V.
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

Tata Communications Transformation Services Pte Limited

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
			USD	INR*	USD	INR*
(A)	ASSETS					
(1)	Non-current assets					
(a)	Financial assets					
	(i) Investments -others		140,260	9,142,116	10,503	681,855
			140,260	9,142,116	10,503	681,855
(2)	Current assets					
(a)	Financial assets					
	(i) Trade receivables	1	202,192	13,178,870	-	-
	(ii) Cash and cash equivalent	2	23,544	1,534,612	33,169	2,153,331
	(iii) Other financial assets	3	14,124	920,618	-	-
	Other current assets	4	4,823	314,369	130	8,440
			244,683	15,948,469	33,299	2,161,771
	TOTAL ASSETS		384,943	25,090,585	43,802	2,843,626
(B)	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity share capital	5	170,000	11,080,600	50,000	3,246,000
	Other equity	6	104,009	6,779,301	(18,912)	(1,227,767)
	Total Equity		274,009	17,859,901	31,088	2,018,233
(2)	Current liabilities					
	Financial liabilities					
	(i) Trade payables	7	88,513	5,769,288	12,714	825,393
	Other current liabilities	8	22,421	1,461,396	-	-
			110,934	7,230,684	12,714	825,393
	TOTAL EQUITY AND LIABILITIES		384,943	25,090,585	43,802	2,843,626

*Exchange rate as at 31 March 2018 1 USD = 65.18 INR 31 March 2017 USD = INR 64.92



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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			USD	INR*	USD	INR*
i	Revenue from telecommunications services	9	353,352	23,031,483	-	-
ii	Other Income	10	4	250	-	-
iii	Total income (i + ii)		353,356	23,031,733	-	-
iv	Expenses:					
	(i) Operating and other expenses	11	230,632	15,032,596	18,912	1,227,767
	Total expenses		230,632	15,032,596	18,912	1,227,767
v	Profit before taxes (iii - iv)		122,724	7,999,137	(18,912)	(1,227,767)
vi	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	Profit / (loss) for the year (v-vi)		122,724	7,999,137	(18,912)	(1,227,767)

*Exchange rate as at 31 March 2018 1 USD = 65.18 INR 31 March 2017 USD = INR 64.92



Tata Communications Transformation Services Pte Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade receivables	176,520	11,505,574	-	-
Intercompany receivables	25,672	1,673,296	-	-
Total	202,192	13,178,870	-	-

2 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Balance with bank	23,544	1,534,612	33,169	2,153,331
Total	23,544	1,534,612	33,169	2,153,331

3 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Security Deposit	14,124	920,618	-	-
Total	14,124	920,618	-	-

4 Current assets - other assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Prepaid expenses	4,203	273,979	-	-
Indirect tax receivable	620	40,390	130	8,440
Total	4,823	314,369	130	8,440

5 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Equity share capital	170,000	11,080,600	50,000	3,246,000
Total	170,000	11,080,600	50,000	3,246,000

6 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(18,912)	(1,232,691)	-	-
Profit / (loss) for the year	122,724	7,999,137	(18,912)	(1,227,767)
Closing balance	103,812	6,766,446	(18,912)	(1,227,767)
Foreign Exchange Translation Reserve	197	12,855	-	-
Total	104,009	6,779,301	(18,912)	(1,227,767)



7 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Trade payable	88,513	5,769,288	12,714	825,393
Total	88,513	5,769,288	12,714	825,393

8 Current liabilities - other current liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	USD	INR	USD	INR
Other Employee dues	22,421	1,461,396	-	-
Total	22,421	1,461,396	-	-

9 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Data and voice revenue	353,352	23,031,483	-	-
Total	353,352	23,031,483	-	-

10 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Exchange (Gain)/Loss -Net	4	250	-	-
Total	4	250	-	-

11 Other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	USD	INR	USD	INR
Exchange (gain)/loss -Net	-	-	20	1,298
Legal and professional fees	39,123	2,550,031	18,587	1,206,668
Miscellaneous expenses	4,523	294,834	305	19,801
Rent	2,918	190,163	-	-
Services rendered by agencies	176,767	11,521,674	-	-
Travelling and conveyance expenses	7,301	475,894	-	-
Total	230,632	15,032,596	18,912	1,227,767



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Brazil) Participacoes Limitada** ("the subsidiary") registered in Brazil as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar Varma

(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018	
			USD	INR*
(A)	ASSETS			
(1)	Non-current assets			
	Investments in subsidiaries & associates	1	693,350	45,192,553
			693,350	45,192,553
(2)	Current assets			
	(i) Cash and cash equivalent	2	132,779	8,654,535
			132,779	8,654,535
	TOTAL ASSETS		826,129	53,847,088
(B)	EQUITY AND LIABILITIES			
(1)	Equity			
	Equity share capital	3	820,892	53,505,741
	Other equity	4	(26,664)	(1,737,961)
	Total Equity		794,228	51,767,780
(3)	Current liabilities			
	Financial liabilities			
	(i) Trade payables	5	26,225	1,709,346
	(ii) Other financial liabilities	6	5,676	369,962
			31,901	2,079,308
	TOTAL EQUITY AND LIABILITIES		826,129	53,847,088

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



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

	Particulars	Note No.	Current year 2017-18	
			USD	INR
A	CONTINUED OPERATIONS			
ii	Other Income	7	8,496	553,769
iii	Total income (i + ii)		8,496	553,769
iv	Expenses:			
	Operating and other expenses	8	35,160	2,291,730
	Total expenses		35,160	2,291,730
v	(Loss) / Profit before taxes (iii - iv)		(26,664)	(1,737,961)
vi	Tax expenses			
	(i) Current tax expense/(benefit)		-	-
	(ii) Deferred tax expense/(benefit)		-	-
	Net tax expenses		-	-
vii	(Loss) / Profit for the year (v-vi)		(26,664)	(1,737,961)

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Investments in subsidiaries & associates

Particulars	As at 31 March 2018	
	USD	INR
Investments in subsidiaries	693,350	45,192,553
Total	693,350	45,192,553

2 Cash and cash equivalents

Particulars	As at 31 March 2018	
	USD	INR
Balance with bank	132,779	8,654,535
Total	132,779	8,654,535

3 Equity share capital

Particulars	As at 31 March 2018	
	USD	INR
Equity share capital	820,892	53,505,741
Total	820,892	53,505,741

4 Other Equity

Particulars	As at 31 March 2018	
	USD	INR
Surplus / (Deficit)		
Opening balance	-	-
Profit / (loss) for the year	(26,664)	(1,737,961)
Closing balance	(26,664)	(1,737,961)

5 Current liabilities - Trade payables

Particulars	As at 31 March 2018	
	USD	INR
Trade payable	26,225	1,709,346
Total	26,225	1,709,346



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

6 Current liabilities - other financial liabilities

Particulars	As at 31 March 2018	
	USD	INR
Others	5,676	369,962
Total	5,676	369,962

7 Other income

Particulars	Current year 2017-18	
	USD	INR
Interest income - others	435	28,353
Exchange gain -Net	8,061	525,416
Total	8,496	553,769

8 Operating and other expenses

Particulars	Current year 2017-18	
	USD	INR
Legal and professional fees	31,974	2,084,065
Miscellaneous expenses	3,186	207,665
Total	35,160	2,291,730



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications Transformation Services (US) Inc** ("the subsidiary") registered in Delaware, USA as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No. 121750W / W-100010

Vinodkumar V
(Vinodkumar Varma)
PARTNER
Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

Tata Communications Transformation Services (US) Inc

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018	
			USD	INR*
(A)	ASSETS		-	-
	TOTAL ASSETS		-	-
(B)	EQUITY AND LIABILITIES			
(1)	Equity	1		
	Other equity		(3,665)	(238,884)
	Total Equity		(3,665)	(238,884)
(2)	Current liabilities	2		
	Financial liabilities			
	(i) Borrowings		3,665	238,884
			3,665	238,884
	TOTAL EQUITY AND LIABILITIES		-	-

*Exchange rate as at 31 March 2018 1 USD = INR 65.18



Tata Communications Transformation Services (US) Inc

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

	Particulars	Note No.	Current year 2017-18	
			USD	INR ^a
i	Revenue from telecommunications services		-	-
ii	Other Income		-	-
iii	Total income (i + ii)		-	-
iv	Expenses:			
	(i) Operating and other expenses	3	3,665	238,884
	Total expenses		3,665	238,884
v	Profit before taxes (iii - iv)		(3,665)	(238,884)
vi	Tax expenses			
	(i) Current tax expense/(benefit)		-	-
	(ii) Deferred tax expense/(benefit)		-	-
	Net tax expenses		-	-
vii	Profit / (loss) for the year (v-vi)		(3,665)	(238,884)

^aExchange rate as at 31 March 2018 1 USD = INR 65.18



Tata Communications Transformation Services (US) Inc

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

1 Other Equity

Particulars	As at 31 March 2018	
	USD	INR
Surplus / (Deficit)		
Opening balance	-	-
Profit / (loss) for the year	(3,665)	(238,884)
Total	(3,665)	(238,884)

2 Current liabilities - borrowings

Particulars	As at 31 March 2018	
	USD	INR
Loan from bank	3,665	238,884
Total	3,665	238,884

3 Other expenses

Particulars	Current year 2017-18	
	USD	INR
Miscellaneous expenses	3,665	238,884
Total	3,665	238,884



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications Comunicacoes E Multimidia (Brazil) Limitada** ("the subsidiary") registered in Brazil as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010


(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

Tata Communications Comunicacoes E Multimidia (Brazil) Limitada

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018	
			USD	INR*
(A)	ASSETS			
(1)	Non-current assets			
	Property, plant and equipment	1	124,730	8,129,901
	Capital work-in-progress		3,560	232,041
			128,290	8,361,942
(2)	Current assets			
	Financial assets			
	(i) Trade receivables	2	375,465	24,472,809
	(ii) Cash and cash equivalent	3	651,998	42,497,230
			1,027,463	66,970,039
	TOTAL ASSETS		1,155,753	75,331,981
(B)	EQUITY AND LIABILITIES			
(1)	Equity			
	Equity share capital	4	770,389	50,213,955
	Other equity	5	(1,553)	(101,224)
	Total Equity		768,836	50,112,731
(2)	Current liabilities			
	Financial liabilities			
	(i) Trade payables	6	316,604	20,636,249
	Other current liabilities	7	65,822	4,290,278
	Current tax liabilities (Net)		4,491	292,723
			386,917	25,219,250
	TOTAL EQUITY AND LIABILITIES		1,155,753	75,331,981

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



Tata Communications Comunicacoes E Multimidia (Brazil) Limitada

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

	Particulars	Note No.	Current year 2017-18	
			USD	INR
A	CONTINUED OPERATIONS			
i	Revenue from telecommunications services	8	379,959	24,765,728
ii	Other Income	9	1,726	112,501
iii	Total income (i + ii)		381,685	24,878,229
iv	Expenses:			
	Network and transmission expenses	10	32,243	2,101,599
	Operating and other expenses	11	336,356	21,923,684
	Depreciation and amortisation expenses		10,148	661,447
	Total expenses		378,747	24,686,730
v	Profit before taxes (iii - iv)		2,938	191,499
vi	Tax expenses			
	(i) Current tax expense/(benefit)		4,491	292,723
	(ii) Deferred tax expense/(benefit)		-	-
	Net tax expenses		4,491	292,723
vii	(Loss) / profit for the year (v-vi)		(1,553)	(101,224)

*Exchange rate as at 31 March 2018 1 USD = INR 65.18 (as at 31 March 2017 1 USD = INR 64.92)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018	
	USD	INR
Gross block:		
Plant and machinery	185,508	12,091,411
(a)	185,508	12,091,411
Accumulated depreciation:		
Plant and machinery	60,778	3,961,510
(b)	60,778	3,961,510
Net block (a) - (b)	124,730	8,129,901

2 Trade receivables

Particulars	As at 31 March 2018	
	USD	INR
Intercompany receivables	375,465	24,472,809
Total	375,465	24,472,809

3 Cash and cash equivalents

Particulars	As at 31 March 2018	
	USD	INR
Balance with bank	651,998	42,497,230
Total	651,998	42,497,230

4 Equity share capital

Particulars	As at 31 March 2018	
	USD	INR
Equity share capital	770,389	50,213,955
Total	770,389	50,213,955



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5 Other Equity

Particulars	As at 31 March 2018	
	USD	INR
Surplus / (Deficit)		
Opening balance	-	-
Profit / (loss) for the year	(1,553)	(101,224)
Closing balance	(1,553)	(101,224)

6 Current liabilities - Trade payables

Particulars	As at 31 March 2018	
	USD	INR
Trade payable	316,604	20,636,249
Total	316,604	20,636,249

7 Current liabilities - other current liabilities

Particulars	Current year 2017-18	
	USD	INR
Others	65,822	4,290,278
Total	65,822	4,290,278

8 Revenue from operations

Particulars	Current year 2017-18	
	USD	INR
Data and voice revenue	379,959	24,765,728
Total	379,959	24,765,728

9 Other income

Particulars	Current year 2017-18	
	USD	INR
Interest income - others	1,726	112,501
Total	1,726	112,501



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

10 Network and transmission expenses

Particulars	Current year 2017-18	
	USD	INR
Charges for use of transmission facilities	32,243	2,101,599
Total	32,243	2,101,599

11 Operating and other expenses

Particulars	Current year 2017-18	
	USD	INR
Exchange loss -Net	13,235	862,657
Insurance expenses	10,498	684,260
Legal and professional fees	294,523	19,197,009
Miscellaneous expenses	5,046	328,898
Rent	10,111	659,035
Repairs and Maintenance - Plant & Machinery	2,943	191,825
Total	336,356	21,923,684



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LLP Identity No. AAB-7509

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the accounting records and other information and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications Transformation Services South Africa (Pty) Ltd** ("the subsidiary") registered in South Africa as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the subsidiary is responsible for:

- Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- Preparation and presentation of financial statements in accordance with the applicable laws and regulations, if any;
- Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010


(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

Tata Communications Transformation Services South Africa (Pty) Ltd

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018	
			ZAR	INR*
(A)	ASSETS			
(1)	Current assets			
	Financial assets			
	(i) Cash and cash equivalent	1	655,545	3,612,054
			655,545	3,612,054
	TOTAL ASSETS		655,545	3,612,054
(B)	EQUITY AND LIABILITIES			
(1)	Equity			
	Equity share capital	2	655,550	3,612,081
	Other equity	3	(92,150)	(507,748)
	Total Equity		563,400	3,104,333
(2)	Current liabilities			
	Financial liabilities			
	(i) Trade payables	4	92,146	507,721
			92,146	507,721
	TOTAL EQUITY AND LIABILITIES		655,545	3,612,054

*Exchange rate as at 31 March 2018 1 ZAR = INR 5.51



Tata Communications Transformation Services South Africa (Pty) Ltd

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

	Particulars	Note No.	Current year 2017-18	
			ZAR	INR*
i	Revenue from telecommunications services	5	-	-
ii	Other Income		4,667	25,714
iii	Total income (i + ii)		4,667	25,714
iv	Expenses:			
	(i) Operating and other expenses		96,817	533,463
	Total expenses		96,817	533,463
v	Profit before taxes (iii - iv)		(92,150)	(507,749)
vi	Tax expenses			
	(i) Current tax expense/(benefit)		-	-
	(ii) Deferred tax expense/(benefit)		-	-
	Net tax expenses		-	-
vii	Profit / (loss) for the year (v-vi)		(92,150)	(507,749)

*Exchange rate as at 31 March 2018 1 ZAR = INR 5.51



Tata Communications Transformation Services South Africa (Pty) Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Cash and cash equivalents

Particulars	As at 31 March 2018	
	ZAR	INR
Balance with bank	655,545	3,612,054
Total	655,545	3,612,054

2 Equity share capital

Particulars	As at 31 March 2018	
	ZAR	INR
Equity share capital	655,550	3,612,081
Total	655,550	3,612,081

3 Other Equity

Particulars	As at 31 March 2018	
	ZAR	INR
Surplus / (Deficit)		
Opening balance	-	-
Profit / (loss) for the year	(92,150)	(507,748)
Closing balance	(92,150)	(507,748)

4 Current liabilities - Trade payables

Particulars	As at 31 March 2018	
	ZAR	INR
Trade payable	36,892	203,276
Inter Company - Payables	55,253	304,445
Total	92,146	507,721

5 Other expenses

Particulars	Current year 2017-18	
	ZAR	INR
Legal and professional fees	65,305	359,829
Rent	26,841	147,893
Bank Charges	4,672	25,741
Total	96,817	533,463





STT Tai Seng Pte. Ltd.
Registration Number:201613536H

Annual Report
Year ended 31 December 2017

Directors' statement

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2017.

In our opinion:

- (a) the financial statements set out on pages FS1 to FS29 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Bruno Lopez	(Appointed on 13 February 2017)
Jonathan Allen King	(Appointed on 31 March 2017)
Lim Yueh Hua Nelson	(Appointed on 13 February 2017)
Christopher Scott Street	(Appointed on 31 March 2017)
Tri Luu Pham	
Pratibha Khandelwal Advani	(Appointed on 12 April 2017)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures and share options in the Company and in related corporations are as follows:

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year/ date of appointment	Holdings at end of the year
--	--	-----------------------------------

Related Corporations

Olam International Limited Ordinary shares

Jonathan Allen King	7,000	—
---------------------	-------	---

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year/ date of appointment	Holdings at end of the year
Related Corporations (Cont'd)		
Singapore Telecommunications Limited		
Ordinary shares		
Bruno Lopez	3,470	3,470
StarHub Ltd		
Ordinary shares		
Lim Yueh Hua Nelson	2,900	2,900

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

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.

Share options

During the financial year, there were:

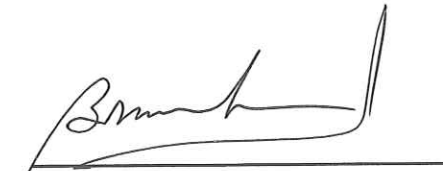

- (i) no options granted by the Company to any person to take up unissued shares in the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

Auditors

The auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors


Bruno Lopez
Director
Lim Yueh Hua Nelson
Director

20 March 2018



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Independent auditors' report

Members of the Company
STT Tai Seng Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of STT Tai Seng Pte. Ltd. ('the Company'), which comprise the balance sheet as at 31 December 2017, 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, as set out on pages FS1 to FS29.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 ('the Act') and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the financial position of the Company as at 31 December 2017 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' 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 *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 contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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.

Auditors' 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 auditors' 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 controls.
- Obtain an understanding of internal controls 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 controls.



- 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 auditors' 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 auditors' 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 controls 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.

KPMG WP

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
20 March 2018

Balance sheet
As at 31 December 2017

	Note	2017 \$	2016 \$
Non-current assets			
Property, plant and equipment	3	62,005,823	—
Intangible assets	4	37,513,241	—
Goodwill	5	122,671,687	—
		<u>222,190,751</u>	<u>—</u>
Current assets			
Trade and other receivables	6	14,666,698	—
Deposits and prepayments	7	1,900,930	—
Balances with related parties	8	10,474,483	—
Cash and cash equivalents		3,377,982	100
		<u>30,420,093</u>	<u>100</u>
Total assets		<u>252,610,844</u>	<u>100</u>
Equity attributable to owners of the Company			
Share capital	13	181,915,331	100
Hedging reserve	14	(73,297)	—
Accumulated profit/(loss)		5,419,116	(104,787)
Total equity		<u>187,261,150</u>	<u>(104,687)</u>
Non-current liabilities			
Trade and other payables	9	1,005,542	—
Provision for restoration costs	10	3,203,542	—
Bank loan	11	40,000,000	—
Deferred tax liabilities	12	8,363,203	—
		<u>52,572,287</u>	<u>—</u>
Current liabilities			
Trade and other payables	9	7,922,904	104,787
Balances with related parties	8	2,781,206	—
Bank loan	11	2,000,000	—
Derivative liabilities		73,297	—
		<u>12,777,407</u>	<u>104,787</u>
Total liabilities		<u>65,349,694</u>	<u>104,787</u>
Total equity and liabilities		<u>252,610,844</u>	<u>100</u>

The accompanying notes form an integral part of these financial statements.

Statement of comprehensive income
Year ended 31 December 2017

		Period from 18 May 2016 (date of incorporation) to 31 December 2016
	Year ended 31 December 2017	31 December 2016
	Note	\$
Revenue		48,595,323
Staff costs		(3,060,180)
Electricity costs		(7,055,630)
Services fees charged by related parties		(3,286,171)
Property tax		(24,954)
Facility expenses		(16,133,393)
Depreciation of property, plant and equipment		(3,826,859)
Amortisation of intangible assets		(4,954,579)
Other expenses		(2,165,340)
Total expenses		<u>(40,507,106)</u>
Finance income	15	1,959
Finance costs	15	(1,422,599)
Net finance costs		<u>(1,420,640)</u>
Profit/(loss) before tax	16	6,667,577
Tax expense	17	(1,143,674)
Profit/(loss) for the year/period		<u>5,523,903</u>
Other comprehensive income		(104,787)
<i>Items that are or may be reclassified subsequently to income statement</i>		
Effective portion of changes in fair value of cash flow hedges		(209,710)
Net change in fair value of cash flow hedges reclassified from equity		136,413
Other comprehensive income for the year/period, net of tax		<u>(73,297)</u>
Total comprehensive income for the year/period		<u><u>5,450,606</u></u>

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
Year ended 31 December 2017

	Share capital \$	Hedging reserves \$	Accumulated profit/(loss) \$	Total equity \$
At 18 May 2016 (date of incorporation)	100	–	–	100
Loss for the period, representing total comprehensive income for the period	–	–	(104,787)	(104,787)
At 31 December 2016	100	–	(104,787)	(104,687)
At 1 January 2017	100	–	(104,787)	(104,687)
Total comprehensive income for the year				
Profit for the year	–	–	5,523,903	5,523,903
Other comprehensive income				
Effective portion of changes in fair value of cash flow hedges	–	(209,710)	–	(209,710)
Net change in fair value of cash flow hedges reclassified to profit or loss	–	136,413	–	136,413
Total other comprehensive income, net of tax	–	(73,297)	–	(73,297)
Total comprehensive income for the year	–	(73,297)	5,523,903	5,450,606
Transactions with owners, recognised directly in equity				
Issuance of ordinary shares	181,915,231	–	–	181,915,231
Total transactions with owners	181,915,231	–	–	181,915,231
At 31 December 2017	181,915,331	(73,297)	5,419,116	187,261,150

The accompanying notes form an integral part of these financial statements.

Statement of cash flows
Year ended 31 December 2017

		Period from 18 May 2016 (date of incorporation) to 31 December 2016
	Year ended 31 December 2017	
Note	\$	\$
Cash flows from operating activities		
Profit/(loss) before tax	6,667,577	(104,787)
Adjustments for:		
Depreciation of property, plant and equipment	3,826,859	—
Amortisation of intangible assets	4,954,579	—
Allowance for doubtful debts	137,744	—
Finance income	(1,959)	—
Finance costs	1,422,599	—
	<u>17,007,399</u>	<u>(104,787)</u>
Changes in:		
Trade and other receivables	(14,804,442)	—
Deposits and prepayments	1,386,412	—
Trade and other payables	2,855,139	104,787
Balances with related parties	931,453	—
Cash from operating activities	<u>7,375,961</u>	<u>—</u>
Interest received	1,959	—
Tax paid	—	—
Net cash from operating activities	<u>7,377,920</u>	<u>—</u>
Cash flows from investing activities		
Acquisition through business combination	21 (134,617,271)	—
Purchase of property, plant and equipment	(5,051,352)	—
Net cash used in investing activities	<u>(139,668,623)</u>	<u>—</u>
Cash flows from financing activities		
Proceeds from issue of ordinary shares	134,617,271	100
Proceeds from immediate holding company	40,000,000	—
Proceeds from bank loan	53,000,000	—
Repayment of bank loan	(11,000,000)	—
Repayment of loan to other shareholder	(40,000,000)	—
Repayment of loan to immediate holding company	(40,000,000)	—
Interest paid	(948,686)	—
Net cash from financing activities	<u>135,668,585</u>	<u>100</u>

	Year ended 31 December 2017 \$	Period from 18 May 2016 (date of incorporation) to 31 December 2016 \$
Net change in cash and cash equivalents	3,377,882	100
Cash and cash equivalents at beginning of the year/period	100	—
Cash and cash equivalents at end of the year/period	<u>3,377,982</u>	<u>100</u>

Significant non-cash transactions

During the year, the acquisition of business amounting to \$47,297,960 was settled by way of issuance of ordinary shares.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 20 March 2018.

1 Domicile and activities

STT Tai Seng Pte. Ltd. (the “Company”) is incorporated in the Republic of Singapore with its registered office at 1 Temasek Avenue, #33-01 Millenia Tower, Singapore 039192.

The principal activities of the Company are the provision of data centre co-location and facility services.

The immediate and ultimate holding companies are STT APDC Pte. Ltd. and Temasek Holdings (Private) Limited respectively. The intermediate holding companies are STT GDC Pte. Ltd., STT Communications Ltd and Singapore Technologies Telemedia Pte Ltd. These companies are incorporated in the Republic of Singapore.

2 Summary of significant accounting policies

2.1 Statement of compliance

The financial statements are prepared in accordance with the Singapore Financial Reporting Standards (“FRS”).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars which is the Company’s functional currency.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. These estimates are based on management’s best knowledge and judgement of current events and environment. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no critical judgements in applying accounting policies. In particular, information about significant areas of estimation uncertainty that have the most significant effect on the amount recognised in the financial statements are described below:

- Useful lives of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are depreciated and amortised on a straight line basis over their estimated useful lives. Management estimates that the useful lives of these assets to be within 2 to 20 years as set out in Note 2.6 and Note 2.7. The carrying amount of the Company's property, plant and equipment and intangible assets are set out in Note 3 and Note 4 respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation and amortisation charges could be revised.

The significant accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as disclosed below.

Adoption of new and revised standards

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the annual period beginning on 1 January 2017. The adoption of these new and revised FRSs and INT FRSs does not result in substantial changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

New accounting standards and interpretations not yet adopted

Certain accounting standards (including their consequential amendments) and interpretations that have been issued as of the reporting date and are relevant to its operations but are not yet effective have not been applied by the Company.

For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Company in future financial periods, management has assessed the transition options and are gathering the detailed analysis and potential impact on its financial statements. The Company does not plan to adopt these standards early.

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

Potential impact on the financial statements

The Company plans to adopt FRS 115 in its financial statements for the year ending 31 December 2018, using the retrospective approach. The Company is in the process of completing its assessment and does not expect any significant impact upon the adoption of FRS 115.

FRS 109 *Financial Instruments*

FRS 109 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements.

Impairment

FRS 109 replaces the current ‘incurred loss’ model with a forward-looking expected credit loss (“ECL”) model. The new impairment model will apply to financial assets measured at amortised cost or fair value through other comprehensive income.

Under FRS 109, loss allowances of the Company will be measured on either of the following bases:

- 12-month ECLs. These are ECLs that result from possible default events within the 12 months after the reporting date; or
- Lifetime ECLs. These are ECLs that result from all possible default events over the expected life of a financial instrument.

Potential impact on the financial statements

The Company plans to adopt FRS 109 in its financial statements for the year ending 31 December 2018, applying the simplified approach and recording lifetime ECL on its trade receivables and any contract assets arising from the application of FRS 115. The Company is in the process of completing its assessment.

FRS 116 *Leases*

FRS 116 replaces existing lease accounting guidance. FRS 116 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if FRS 115 is also applied. FRS 116 eliminates the lessee’s classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (“ROU”) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

Potential impact on the financial statements

The Company plans to adopt the standard when it becomes effective in 2019 and likely to apply the standard using the modified retrospective approach and elect the practical expedient not to reassess whether a contract contains a lease at the date of initial application, 1 January 2019. Accordingly, existing lease contracts that are still effective on 1 January 2019 continue to be accounted for as lease contracts under FRS 116. The Company has performed a preliminary assessment of the impact on its financial statements based on its existing operating lease arrangements (refer to note 22).

Until 2018, the approximate financial impact of the standard is unknown due to factors that impact calculation of lease liabilities such as discount rate, expected term of leases including renewal options and exemptions for short-term leases. The Company will continue to assess its portfolio of leases to calculate the impending impact of transition to the new standard.

2.5 Business combination

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the date of acquisition, which is the date on which control is transferred to the Company. The Company measures goodwill at the date of acquisition as the fair value of the consideration transferred over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

2.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self-constructed assets include the cost of materials and direct labour, an appropriate proportion of overheads, the costs of dismantling and removing the assets and restoring the site on which they are located and capitalised borrowing costs.

Subsequent expenditure relating to existing property, plant and equipment is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditure is recognised as an expense in the year in which it is incurred.

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is provided on the straight-line basis over the estimated useful lives as follows:

Leasehold improvements	- Shorter of remaining lease term or 20 years
Office equipment, computers, furniture and fixtures	- 2 to 5 years
Data centre equipment	- 5 to 20 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date. No depreciation is provided in respect of property, plant and equipment under construction.

2.7 Intangible assets

Other intangible assets

Other intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses. Other intangible assets are amortised in the profit or loss on a straight-line basis from the date they are available for use over their estimated useful lives as follows:

Customer contracts and relationships	- 7.5 years
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Subsequent expenditure on capitalised intangible assets is added to the carrying value only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the profit or loss as incurred.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

2.8 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, deposits, cash and cash equivalents, balances with related parties, bank loan and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

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

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The right to set off a financial asset and financial liability must not be contingent on a future event and must be enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the Company and all counterparties.

Cash and cash equivalents comprise cash at bank and cash on hand.

Derivative financial instruments and hedging activities

The Company holds derivative financial instruments to hedge its interest rate risk exposures.

Derivatives are recognised initially at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income and presented in the hedging reserve in equity. When the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or the forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated cumulative gain or loss is removed from equity and included in the initial cost or other carrying amount of the non-financial asset or liability.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or financial liability, the associated gains and losses that were recognised in other comprehensive income are reclassified into the profit or loss in the same period or periods during which the asset acquired or liability assumed affects the profit or loss (i.e. when interest income or expense is recognised). For other cash flow hedges, the associated cumulative gain or loss that was recognised in other comprehensive income is removed and recognised in the profit or loss in the same period or periods during which the hedged forecast transaction affects the profit or loss. The ineffective part of any gain or loss is recognised immediately in the profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in other comprehensive income and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in other comprehensive income is recognised immediately in the profit or loss.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.9 Impairment

Financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Financial assets at amortised cost

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are recognised in profit or loss. Impairment losses in respect of financial assets measured at amortised cost are reversed if the subsequent decrease in impairment losses can be related objectively to an event occurring after the impairment was recognised.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Non-financial asset

The carrying amount of the Company's non-financial asset is reviewed at each reporting date 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 if the carrying amount of an asset exceeds its estimated recoverable amount.

Calculation of recoverable amount

The recoverable amount of the asset is the greater of its value in use and its fair value less costs to sell. 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.

Impairment losses are recognised in profit or loss.

Reversal of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

2.10 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured. Revenue arising from the provision of data centre co-location and facility services is recognised in profit or loss on a straight-line basis over the term of the lease. Amounts received in advance for any services rendered are recorded as deferred revenue.

2.11 Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in the profit or loss.

2.12 Employee benefits

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the profit or loss as incurred.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus plan if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting date.

2.13 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Restoration costs

Provision for restoration costs is recognised in accordance with the applicable contractual requirements to restore leased assets back to its original condition upon expiry of the lease.

2.14 Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences at the reporting date arising between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and associates to the extent that they probably will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.15 Operating leases

Where the Company has the use of assets under operating leases, payments made under the leases are recognised in the profit or loss on a straight-line basis over the terms of the lease. Lease incentives received are recognised in the profit or loss as an integral part of the total lease payment made. Contingent rentals are charged to the profit or loss in the accounting period in which they are incurred.

2.16 Finance income and finance costs

Finance income comprises interest income on bank balances. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense and similar charges. Finance costs are recognised in the profit or loss 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.

3 Property, plant and equipment

	Note	Leasehold improvements \$	Construction in progress \$	Office equipment, furniture and fixtures \$	Computer equipment \$	Data centre equipment \$	Total \$
Cost							
At 18 May 2016 (date of incorporation) and 31 December 2016		—	—	—	—	—	—
Acquisition through business combination	21	24,473,555	89,228	8,500	5,550	32,772,795	57,349,628
Additions		49,743	5,222,171	7,857	455,957	2,747,326	8,483,054
Transfers		—	(89,228)	—	—	89,228	—
At 31 December 2017		24,523,298	5,222,171	16,357	461,507	35,609,349	65,832,682
Accumulated depreciation							
At 18 May 2016 (date of incorporation) and 31 December 2016		—	—	—	—	—	—
Depreciation for the year		(1,269,987)	—	(6,372)	(80,635)	(2,469,865)	(3,826,859)
At 31 December 2017		(1,269,987)	—	(6,372)	(80,635)	(2,469,865)	(3,826,859)
Carrying amounts							
At 18 May 2016 (date of incorporation) and 31 December 2016		—	—	—	—	—	—
At 31 December 2017		23,253,311	5,222,171	9,985	380,872	33,139,484	62,005,823

Property, plant and equipment included provision for restoration costs amounting to \$3,203,542 (2016: Nil). The construction costs for the data centre incurred for the year amounted to \$5,311,399 (2016: Nil). Included in this amount are capitalised borrowing costs of \$46,137 (2016: Nil), using a weighted average capitalisation rate of 2.61% (2016: Nil).

4 Intangible assets

	Note	Customer contracts and relationships \$
Cost		
At 18 May 2016 (date of incorporation) and 31 December 2016		–
Acquisition through business combination	21	42,467,820
At 31 December 2017		<u>42,467,820</u>
Accumulated amortisation		
At 18 May 2016 (date of incorporation) and 31 December 2016		–
Amortisation for the year		4,954,579
At 31 December 2017		<u>4,954,579</u>
Carrying amount		
At 18 May 2016 (date of incorporation) and 31 December 2016		–
At 31 December 2017		<u>37,513,241</u>

5 Goodwill

	Note	\$
Cost		
At 18 May 2016 (date of incorporation) and 31 December 2016		–
Acquisition through business combination	21	122,671,687
At 31 December 2017		<u>122,671,687</u>

The goodwill is allocated to the Company's cash-generating unit ("CGU") identified as follows:

Impairment tests for cash-generating units containing goodwill

	2017 \$
Data centre business	<u>122,671,687</u>

The recoverable amount of the CGU is based on the greater of its fair value less costs to sell and its value-in-use.

At 31 December 2017, management performed an impairment assessment on the goodwill arising from the acquisition of data centre business. In ascertaining the recoverable amount of the CGU, management was of the view that the acquisition price amounting to \$181,915,231 was representative of the fair value less costs to sell, given that there were no significant events since the date of acquisition to 31 December 2017 that would result in a significant change in the fair value.

In this context, the recoverable amount exceeded the carrying amount as at 31 December 2017, and accordingly, the goodwill of \$122,671,687 has not been impaired.

6 Trade and other receivables

	2017 \$	2016 \$
Trade receivables	11,760,840	—
Unbilled receivables	2,904,858	—
Other receivables	1,000	—
	<u>14,666,698</u>	<u>—</u>

Unbilled receivables pertain to revenue earned but not invoiced.

7 Deposits and prepayments

	2017 \$	2016 \$
Deposits	300	—
Prepayments	1,900,630	—
	<u>1,900,930</u>	<u>—</u>

Prepayments mainly pertain to prepaid rent for the use of data centre premises.

8 Balances with related parties

	2017 \$	2016 \$
Amount due from:		
Other shareholder (trade)	<u>10,474,483</u>	<u>—</u>
Amount due to:		
Intermediate holding company (non-trade)	1,049,840	—
Intermediate holding company (trade)	342,504	—
Other shareholder (non-trade)	1,376,132	—
Related parties (trade)	12,730	—
	<u>2,781,206</u>	<u>—</u>

The non-trade amounts due to other shareholder and intermediate holding company are unsecured, interest free and repayable on demand.

9 Trade and other payables

	2017 \$	2016 \$
Non-current liability		
Deferred revenue	1,005,542	—
Current liabilities		
Trade payables	791,557	—
Accrued expenses	2,454,708	103,000
Other payables	83,832	1,787
Capital expenditure payables	3,385,565	—
	6,715,662	104,787
Deferred revenue	1,142,386	—
Net GST payable	64,856	—
	7,922,904	104,787
Total trade and other payables	8,928,446	104,787

Included in accrued expenses are accrued amount due to intermediate holding company amounting to \$76,562 (2016: Nil) and accrued interest expense of \$351,154 (2016: Nil).

10 Provision for restoration costs

	Note	2017 \$	2016 \$
At 1 January 2017/18 May 2016 (date of incorporation)		—	—
Acquisition through business combination	21	3,111,208	—
Unwind of discount on restoration costs		92,334	—
At 31 December		3,203,542	—

Restoration costs relate to the cost of dismantling and removing assets and restoring the premises to its original condition upon termination of the land lease in April and May 2025.

11 Bank loan

	2017	2016
Bank loan	42,000,000	—
Current	2,000,000	—
Non-current	40,000,000	—
	42,000,000	—

The bank loan is unsecured, bears interest rates ranging from 2.13% to 2.61% per annum, and is repayable by 13 February 2022. The interest rate is re-priced every 3 or 6 months.

Reconciliation of movements of liabilities to cash flows arising from financing activities

		Liabilities	Derivative liabilities held to hedge long-term borrowing	Equity	
	Note	Loans and borrowings \$	Accrued interest expense \$	Interest rate swap used for hedging - liabilities \$	Share capital \$
Balance at 1 January 2017		—	—	—	100
Acquisition through business combination	21	40,000,000	—	—	—
Changes from financing cash flows					
Proceeds from issue of ordinary shares		—	—	—	134,617,271
Proceeds from immediate holding company		40,000,000	—	—	—
Proceeds from bank loan		53,000,000	—	—	—
Repayment of bank loan		(11,000,000)	—	—	—
Repayment of loan to other shareholder		(40,000,000)	—	—	—
Repayment of loan to immediate holding company		(40,000,000)	—	—	—
Interest paid		(888,835)	—	(59,851)	—
Total changes from financing cash flows		1,111,165	—	(59,851)	134,617,271
Acquisition of business settled by way of issuance of ordinary shares	21	—	—	—	47,297,960
Change in fair value		—	—	73,297	—
Liability-related other changes					
Capitalised borrowing costs		46,137	—	—	—
Interest expense*		842,698	351,154	136,413	—
Accrued interest payable to immediate holding company		—	—	(76,562)	—
Total liability-related other changes		888,835	351,154	59,851	—
Balance at 31 December 2017		42,000,000	351,154	73,297	181,915,331
					224,339,782

* Finance costs excluding unwind of discount on restoration costs of \$92,334.

12 Deferred tax liabilities

Movements in deferred tax liabilities during the year are as follows:

	At 1 January 2017 \$	Acquisition through business combination (Note 21) \$	Recognised in income statement (Note 17) \$	At 31 December 2017 \$
Deferred tax liabilities				
Property, plant and equipment	—	—	(1,985,952)	(1,985,952)
Intangible assets	—	(7,219,529)	842,278	(6,377,251)
	—	(7,219,529)	(1,143,674)	(8,363,203)

13 Share capital

	2017		2016	
	No. of shares	\$	No. of shares	\$
Fully paid, with no par value:				
At 1 January 2017/18 May 2016 (date of incorporation)	100	100	100	100
Issued during the year/period	200	181,915,231	—	—
At 31 December	300	181,915,331	100	100

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

14 Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet affected the profit or loss.

15 Finance income and finance costs

	2017 \$	2016 \$
Finance income		
- Bank	1,959	—
Finance costs		
- Bank	1,185,523	—
- Immediate holding company	8,329	—
- Net change in fair value of cash flow hedges reclassified from equity	136,413	—
- Unwind of discount on restoration costs	92,334	—
	1,422,599	—
Net finance costs	(1,420,640)	—

16 Profit/(loss) before tax

The following items have been included in arriving at profit/(loss) before tax:

	Year ended 31 December 2017 \$	Period from 18 May 2016 (date of incorporation) to 31 December 2016 \$
Salary, bonuses and other costs	2,680,516	—
Contributions to defined contribution plans	379,664	—
Lease expenses	14,166,645	—
Allowance for doubtful debts	137,744	—

17 Tax expense

	Year ended 31 December 2017 \$	Period from 18 May 2016 (date of incorporation) to 31 December 2016 \$
Current tax expense	—	—
Deferred tax expense		
Origination and reversal of temporary differences	1,143,674	—
Total tax expense	1,143,674	—
<i>Reconciliation of effective tax rate</i>		
Profit/(loss) before tax	6,667,577	(104,787)
Tax using Singapore tax rate of 17% (2016: 17%)	1,133,488	(17,814)
Non-deductible expenses	231,183	17,814
Tax incentives	(220,997)	—
	1,143,674	—

18 Financial instruments

Financial risk management objectives and policies

The Company has exposure to credit risk, liquidity risk and interest rate risk arising from the normal course of its business. The Company has established processes for monitoring the risks.

At the reporting date, the Company's exposure to foreign currency risk is not significant.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The Company has credit guidelines in place and the exposure to credit risk is monitored on an on-going basis.

The carrying amounts of financial assets in the balance sheet represent the Company's maximum exposures to credit risk. The Company does not hold any collateral in respect of their financial assets. At the reporting date, the Company has no significant concentrations of credit risk, except for 82% (2016: Nil) of trade debts relating to 4 (2016: Nil) major customers.

The ageing of loans and receivables (excluding cash and cash equivalents) at the reporting date was:

	Gross 2017 \$	Impairment 2017 \$	Gross 2016 \$	Impairment 2016 \$
Not past due	14,161,202	—	—	—
Past due 1 – 30 days	3,949,562	5,330	—	—
Past due 31 – 60 days	2,733,766	5,330	—	—
Past due 61 – 90 days	3,085,839	12,598	—	—
Past due 91 – 120 days	250,501	12,598	—	—
Past due > 120 days	1,098,355	101,888	—	—
	<u>25,279,225</u>	<u>137,744</u>	<u>—</u>	<u>—</u>

The movement in the allowance for impairment loss in respect of loans and receivables during the year was as follows:

	2017 \$	2016 \$
At 1 January 2017/18 May 2016 (date of incorporation)	—	—
Impairment made during the year/period	137,744	—
At 31 December	<u>137,744</u>	<u>—</u>

Based on historical default rates, the Company believes that apart from the above, no impairment allowance is necessary as these receivables are arising from debtors that have a good repayment record with the Company.

Cash and cash equivalents are placed with creditworthy financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company monitors its liquidity risk and actively manages its operating cash flows, debt maturity profile and availability of funding. The Company also maintains sufficient level of cash and cash equivalents and has available funding from banks. As at 31 December 2017, the Company has unused committed loan facility of \$38 million (2016: Nil), which is adequate and available to the Company to meet its obligations.

The following are the contractual maturities of non-derivative and derivative financial liabilities, including estimated interest payments and excluding the impact of netting arrangement:

	Carrying amount \$	Contractual cash flows \$	Less than 1 year \$	1 to 5 years \$
2017				
<i>Non-derivative financial liabilities</i>				
Trade and other payables	6,715,662	(6,715,662)	(6,715,662)	—
Balances with related parties	2,781,206	(2,781,206)	(2,781,206)	—
Bank loan	42,000,000	(46,304,326)	(3,051,417)	(43,252,909)
<i>Derivative financial liability</i>				
Interest rate swap used for hedging (net settled)	73,297	(73,297)	(73,297)	—
	<u>51,570,165</u>	<u>(55,874,491)</u>	<u>(12,621,582)</u>	<u>(43,252,909)</u>

The contracts of the derivative financial instruments are entered by the intermediate holding company on behalf of the Company.

For derivative financial instruments, the cash inflows represent the contractual undiscounted cash flows relating to these financial instruments. The amounts are compiled on a net basis for derivatives that are net-settled. Net-settled derivative financial assets are included in the maturity analysis as they are held to hedge the cash flow variability of the Company's floating rate loans.

Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to its interest-bearing bank loan. Derivative financial instruments such as interest rate swaps may be used, when appropriate and based on market conditions, to reduce exposure to floating interest rate risk.

At the reporting date, the Company has outstanding interest rate swap contracts for hedging of floating rate interest obligations by swapping them for fixed rate interest obligations with notional amount as follows:

	2017 \$	2016 \$
Interest rate swap contracts	<u>23,000,000</u>	<u>—</u>

Effective interest rates and repricing analysis

In respect of interest-bearing financial liabilities, the following table indicates their effective interest rates at reporting date and the periods in which they reprice.

	Effective interest rate %	Total \$	Floating rate		Fixed rate
			In 1 year \$	In 2 to 5 years \$	In 2 to 5 years \$
2017					
Financial liabilities					
Unsecured long-term bank loan					
- Floating rate	2.13% – 2.61%	42,000,000	2,000,000	40,000,000	–
- Effect of interest rate swap	1.83%	–	–	(23,000,000)	23,000,000
		42,000,000	2,000,000	17,000,000	23,000,000

Sensitivity analysis

For the variable rate financial liability, an increase/decrease of 100 basis points in interest rate at the reporting date would have decreased/increased loss before tax by \$190,000 (2016: Nil).

Estimation of fair values

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity.

Other long-term financial liabilities

Fair value is calculated based on the present value of future cash flows, discounted at the market rate of interest at the reporting date. As at 31 December 2017, the carrying amounts of other long-term financial liabilities (bank loan) approximate their fair value.

Derivatives

Marked to market valuations of the interest rate swaps are provided by the banks. These quotes are independently tested using alternative pricing models or discounted cash flow techniques.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table represents the liability measured at fair value, using Level 2 valuation method, at reporting date:

	2017	2016
	\$	\$
Mark-to-market financial liability		
- Interest rate swap	73,297	—

Financial instruments by categories

Set out below is an analysis of the Company's financial instruments:

	2017	2016
	\$	\$
Loans and receivables		
Trade and other receivables	14,666,698	—
Deposits	300	—
Balances with related parties	10,474,483	—
Cash and cash equivalents	3,377,982	100
	<u>28,519,463</u>	<u>100</u>
Other financial liabilities		
Trade and other payables	6,715,662	104,787
Balances with related parties	2,781,206	—
Bank loan	42,000,000	—
	<u>51,496,868</u>	<u>104,787</u>

19 Capital management

The Company regularly reviews its balance sheet structure and use of capital, with the objective of achieving long-term capital efficiency, optimum shareholders' total returns and strategic positioning.

The capital employed by the Company consists of equity attributable to shareholders and bank loan.

There were no changes in the Company's approach to capital management during the year.

The Company is subject to certain financial covenants including earnings before interest, taxes, depreciation and amortisation ("EBITDA") to interest expense ratio and total net debt to EBITDA ratio under its loan facility. Management monitors these covenants on a regular basis to ensure compliance.

The Company is not subject to externally imposed capital requirements.

20 Significant related party transactions

All directors are employees of the intermediate holding companies and the other shareholder. No consideration is paid to the intermediate holding companies and the other shareholder for the services rendered by these directors.

In addition to the transactions disclosed elsewhere in the financial statements, there were the following significant related party transactions during the financial year:

	2017 \$	2016 \$
<i>Other shareholder</i>		
Revenue received/receivable	1,516,762	—
Service fees paid/payable	2,236,331	—
Payment on behalf by	1,827,277	—
Payment on behalf of	655,293	—
Back to back arrangement		
- Billing on behalf by	23,340,743	—
- Collection on behalf by	27,433,099	—
<i>Intermediate holding company</i>		
Service fees paid/payable	1,049,840	—
Salary costs recharges paid/payable	310,489	—
Payment on behalf by	329,795	—
<i>Other related parties</i>		
Revenue received/receivable	228,211	—
Purchase of property, plant and equipment	349,017	—
Facilities and other expenses paid/payable	11,050,634	—

21 Acquisition of business

On 13 February 2017, the Company acquired Tata Communications International Pte Ltd (“TCIPL”)’s data colocation services business in Singapore (“TCX”) for \$181,915,231.

From 14 February 2017 to 31 December 2017, the acquired data centre business contributed revenue of \$48,595,323 and profit of \$5,523,903. If the acquisition had occurred on 1 January 2017, management estimates the revenue would have been \$55,349,249 and profit for the year would have been \$6,291,632. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2017.

The final allocation of the purchase price to the identifiable assets acquired and liabilities assumed in the acquisition has been completed. A goodwill of \$122,671,687 has been recognised.

Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred:

	2017 \$
Cash	134,617,271
Ordinary shares issued	47,297,960
Total consideration transferred	<u>181,915,231</u>

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	2017 \$
Property, plant and equipment	57,349,628
Intangible assets (customer contracts and relationships)	42,467,820
Trade and other receivables	13,747,123
Trade and other payables	(3,850,008)
Loan from other shareholder	(40,000,000)
Deferred tax liabilities	(7,219,529)
Other non-current liabilities	(3,251,490)
Total identifiable net assets	<u>59,243,544</u>

The trade receivables comprise gross contracted amounts due of \$10,476,464, of which \$243,259 was expected to be uncollectible at the date of acquisition.

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	2017 \$
Total consideration transferred	181,915,231
Fair value of identifiable net assets	(59,243,544)
Goodwill	<u>122,671,687</u>

The goodwill is attributable mainly to the synergies expected to be achieved through the Company's global data centre network to serve its existing and new customers. None of the goodwill recognised is expected to be deductible for tax purposes.

Acquisition-related costs

The Company incurred acquisition-related costs of \$65,000 (2016: Nil) on professional fees. These costs have been included in 'Other expenses'.

22 Commitments

Capital commitments

	2017 \$	2016 \$
Capital expenditure contracted but not provided for in the financial statements	31,681,054	—

The capital expenditure contracted by the Company relates largely to the design and construction of the building, its associated consultancy costs and other IT related purchases.

Operating leases

Leases as lessee

The Company has entered into leases for the use of data centre premises and photocopiers. Non-cancellable operating lease rentals are payable as follows:

	2017 \$	2016 \$
Within one year	14,983,922	—
Between one and five years	57,115,516	—
More than five years	31,339,716	—
	<u>103,439,154</u>	<u>—</u>

Leases as lessor

The Company has entered into leases for data centre co-location and facility services. The future minimum lease payments under the non-cancellable lease are as follows:

	2017 \$	2016 \$
Within one year	11,903,952	—
Between one and five years	55,407,977	—
More than five years	19,555,181	—
	<u>86,867,110</u>	<u>—</u>

23 Subsequent event

Subsequent to year end, the Company drew down its bank loan facility amounting to \$14.0 million for the construction works of its data centre.

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ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trail balance and other information and explanations provided to us by the management, we have compiled the balance sheet of **UNITED TELECOM LTD.** ("the associate") registered in Kathmandu as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the associate is responsible for:

- Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- Preparation and presentation of financial statements in accordance with the applicable laws and regulations;
- Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010

Vinodkumar V.V.
(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

UNITED TELECOM LIMITED

BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
			NPR	INR*	NPR	INR*
(A)	ASSETS					
(1)	Non-current assets					
	Property, plant and equipment	1	78,994,308	49,371,442	298,545,182	188,083,465
	Capital work-in-progress		1,465,048	915,655	1,519,488	957,277
	Other intangible assets	2	362,315,855	226,447,409	16,846,933	10,613,568
			442,775,210	276,734,506	316,911,603	199,654,310
(2)	Current assets					
	Inventories		37,421,183	23,388,240	37,489,788	23,618,566
	Financial assets					
	(i) Trade receivables	3	88,949,786	55,593,616	19,049,427	12,001,139
	(ii) Cash and cash equivalent	4	20,925,225	13,078,266	3,124,068	1,968,163
	(iii) Other financial assets	5	224,291,373	140,182,108	586,764,005	369,661,323
			371,587,567	232,242,229	646,427,287	407,249,191
	TOTAL ASSETS		814,362,776	508,976,735	963,338,890	606,903,501
(B)	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity share capital	6	4,562,009,533	2,851,255,958	3,827,300,000	2,411,199,000
	Other equity	7	(4,350,654,466)	(2,719,159,041)	(3,403,410,812)	(2,144,148,812)
	Total Equity		211,355,067	132,096,917	423,889,188	267,050,188
(2)	Non-current liabilities					
	Deferred tax liabilities (Net)		22,947,337	14,342,085.86	45,355,449	28,573,933
			22,947,337	14,342,086	45,355,449	28,573,933
(3)	Current liabilities					
	Financial liabilities					
	(i) Trade payables	8	557,363,962	348,352,476	471,323,950	296,934,088
	Other current liabilities	9	22,696,410	14,185,256	22,770,303	14,345,291
			580,060,372	362,537,732	494,094,253	311,279,379
	TOTAL EQUITY AND LIABILITIES		814,362,776	508,976,735	963,338,890	606,903,501

*Exchange rate as at 31 March 2018 1 NPR = INR 0.625 (as at 31 March 2017 1 NPR = INR 0.63)



UNITED TELECOM LIMITED

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

	Particulars	Note No.	Current year 2017-18		Previous year 2016-17	
			NPR	INR*	NPR	INR*
i	Revenue from telecommunications services	10	30,005,566	18,753,479	98,167,299	61,845,398
ii	Other Income	11	3,924,747	2,452,967	-	-
iii	Total income (i + ii)		33,930,314	21,206,446	98,167,299	61,845,398
iv	Expenses:					
	(i) Network and transmission expenses	12	572,353,722	357,721,076	474,990,016	299,243,710
	(ii) Employee benefits expenses	13	29,398,007	18,373,754	12,201,722	7,687,085
	(iii) Operating and other expenses	14	98,418,172	61,511,358	112,340,632	70,774,598
	(iv) Finance costs	15	-	-	-	-
	(v) Depreciation and amortisation expenses		281,004,067	175,627,542	253,500,098	159,705,062
	Total expenses		981,173,967	613,233,729	853,032,469	537,410,456
v	Profit before taxes (iii -iv)		(947,243,653)	(592,027,283)	(754,865,170)	(475,565,057)
vi	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	Profit / (loss) for the year (v-vi)		(947,243,653)	(592,027,283)	(754,865,170)	(475,565,057)

*Exchange rate as at 31 March 2018 1 NPR = INR 0.625 (as at 31 March 2017 1 NPR = INR 0.63)



UNITED TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Property, plant and equipment

Particulars	As at 31 March 2018		As at 31 March 2017	
	NPR	INR	NPR	INR
Gross block:				
Land	9,406,115	5,878,822	9,406,115	5,925,852
Plant and machinery	1,787,755,174	1,117,346,984	1,787,710,234	1,126,257,447
Furniture and fixtures	38,847,311	24,279,569	38,847,311	24,473,806
Computers	28,284,425	17,677,765	28,284,425	17,819,188
Office equipment	42,330,380	26,456,487	75,770,355	47,735,323
Vehicles	18,140,866	11,338,041	18,140,866	11,428,746
(a)	1,924,764,271	1,202,977,669	1,958,159,305	1,233,640,362
Accumulated depreciation:				
Plant and machinery	1,725,787,684	1,078,617,303	1,511,257,063	952,091,950
Furniture and fixtures	38,103,880	23,814,925	38,103,880	24,005,444
Computers	27,955,082	17,471,926	27,955,082	17,611,702
Office equipment	36,894,372	23,058,983	67,808,875	42,719,591
Vehicles	17,028,944	10,643,090	14,489,223	9,128,211
(b)	1,845,769,963	1,153,606,227	1,659,614,123	1,045,556,898
Net block (a) - (b)	78,994,308	49,371,442	298,545,182	188,083,465

2 Other intangible assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	NPR	INR	NPR	INR
Gross block:				
License Fees	617,476,744	385,922,965	209,976,744	132,285,349
(a)	617,476,744	385,922,965	209,976,744	132,285,349
Accumulated amortisation:				
License Fees	255,160,889	159,475,556	193,129,811	121,671,781
(b)	255,160,889	159,475,556	193,129,811	121,671,781
Net block (a) - (b)	362,315,855	226,447,409	16,846,933	10,613,568

3 Trade receivables

Particulars	As at 31 March 2018		As at 31 March 2017	
	NPR	INR	NPR	INR
Trade receivables	556,687,806	347,929,879	485,743,927	306,018,674
Provision for doubtful debts	(467,738,021)	(292,336,263)	(466,694,500)	(294,017,535)
Total	88,949,786	55,593,616	19,049,427	12,001,139

4 Cash and cash equivalents

Particulars	As at 31 March 2018		As at 31 March 2017	
	NPR	INR	NPR	INR
Balance with bank	20,925,225	13,078,266	3,124,068	1,968,163
Total	20,925,225	13,078,266	3,124,068	1,968,163

5 Current assets - other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017	
	NPR	INR	NPR	INR
Security Deposit	223,258,393	139,536,496	176,953,458	111,480,679
Others	1,032,980	645,612	409,810,547	258,180,645
Total	224,291,373	140,182,108	586,764,005	369,661,323

6 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	NPR	INR	NPR	INR
Equity share capital	4,562,009,533	2,851,255,958	3,827,300,000	2,411,199,000
Total	4,562,009,533	2,851,255,958	3,827,300,000	2,411,199,000

7 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	NPR	INR	NPR	INR
Surplus / (Deficit)				
Opening balance	(3,403,410,812)	(2,127,131,758)	(2,648,545,642)	(1,668,583,754)
Profit / (loss) for the year	(947,243,653)	(592,027,283)	(754,865,170)	(475,565,057)
Closing balance	(4,350,654,466)	(2,719,159,041)	(3,403,410,812)	(2,144,148,812)



8 Current liabilities - Trade payables

Particulars	As at 31 March 2018		As at 31 March 2017	
	NPR	INR	NPR	INR
Payable for capital and other supplies	557,363,962	348,352,476	471,323,950	296,934,088
Total	557,363,962	348,352,476	471,323,950	296,934,088

9 Current liabilities - other current liabilities

Particulars	As at 31 March 2018		As at 31 March 2017	
	NPR	INR	NPR	INR
Deferred revenue and advance from customers	22,696,410	14,185,256	22,770,303	14,345,291
Total	22,696,410	14,185,256	22,770,303	14,345,291

10 Revenue from operations

Particulars	Current year 2017-18		Previous year 2016-17	
	NPR	INR	NPR	INR
Data and voice revenue	30,005,566	18,753,479	98,167,299	61,845,398
Total	30,005,566	18,753,479	98,167,299	61,845,398

11 Other income

Particulars	Current year 2017-18		Previous year 2016-17	
	NPR	INR	NPR	INR
Exchange (Gain)/Loss -Net	413,355	258,347	-	-
Miscellaneous income	3,511,392	2,194,620	-	-
Total	3,924,747	2,452,967	-	-

12 Network costs

Particulars	Current year 2017-18		Previous year 2016-17	
	NPR	INR	NPR	INR
Charges for use of transmission facilities	572,353,722	357,721,076	474,990,016	299,243,710
Total	572,353,722	357,721,076	474,990,016	299,243,710

13 Employee benefit expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	NPR	INR	NPR	INR
Salaries, bonus and allowances	28,175,057	17,609,410	12,088,483	7,615,744
Staff welfare expenses	1,222,950	764,344	113,239	71,341
Total	29,398,007	18,373,754	12,201,722	7,687,085

14 Other expenses

Particulars	Current year 2017-18		Previous year 2016-17	
	NPR	INR	NPR	INR
Advertising and publicity	228,723	142,952	1,878,174	1,183,249
Communication expenses	1,513,120	945,700	2,876,304	1,812,072
Exchange (Gain)/Loss -Net	-	-	44,388	27,965
Insurance expenses	2,964,840	1,853,025	1,617,131	1,018,793
Miscellaneous expenses	17,262,761	10,789,226	59,564,841	37,525,850
Printing and stationery	99,651	62,282	251,279	158,306
Provision for doubtful debts	1,043,521	652,200	5,229,285	3,294,450
Rent	26,572,492	16,607,807	17,659,253	11,125,329
Repairs and Maintenance - IT systems	24,342,973	15,214,358	7,032,801	4,430,665
Security charges	19,032,979	11,895,612	12,277,040	7,734,535
Travelling and conveyance expenses	5,357,111	3,348,195	3,910,135	2,463,385
Total	98,418,172	61,511,358	112,340,632	70,774,598



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ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the accounting records and other information and explanations provided to us by the management, we have compiled the balance sheet of **Smart ICT Services Private Limited** ("the associate") registered in India as at 31 March 2018 and the related statement of profit and loss for the year then ended, attached herewith.

The management of the associate is responsible for:

- a) Completeness and accuracy of the underlying data and complete disclosure of all material and relevant information to the accountant;
- b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;
- c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations, if any;
- d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;
- e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

The compilation engagement was carried out by us in accordance with the Standards on Related Services Engagements (ISRS 4410) "Engagements to Compile Financial Information", issued by the Institute of Chartered Accountants of India.

This balance sheet and statement of profit and loss has been compiled by us for the purpose of preparation of statement pursuant to Section 129 (3) of the Companies Act, 2013, based on trial balance and other information provided by the management.



The balance sheet and the statement of profit and loss are in agreement with the books of account. We have not audited or reviewed these financial statements and accordingly express no opinion thereon.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No. 121750W / W-100010


(Vinodkumar Varma)

PARTNER

Membership No. 105545



Place Mumbai

Date: 07 MAY 2018

SMART ICT SERVICES PRIVATE LIMITED
BALANCE SHEET AS AT 31 MARCH 2018

	Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
			INR	INR
(A) ASSETS				
(1) Non-current assets				
Financial assets				
(i) Other financial assets	1		-	9,713
Non current tax asset			38,384	8,368
			38,384	18,081
(2) Current assets				
Financial assets				
(i) Trade receivables	2		2,711,813	1,706,492
(ii) Cash and cash equivalent	3		103,654	234,636
Other current assets	4		1,002,908	410,171
			3,818,375	2,351,299
TOTAL ASSETS			3,856,759	2,369,380
(B) EQUITY AND LIABILITIES				
(1) Equity				
Equity share capital	5		500,000	500,000
Other equity	6		(9,029,947)	(8,452,725)
Total Equity			(8,529,947)	(7,952,725)
(2) Non-current liabilities				
Financial liabilities				
(i) Other financial liabilities	7		9,550,000	8,350,000
			9,550,000	8,350,000
(2) Current liabilities				
Financial liabilities				
(i) Trade payables	8		2,836,706	1,366,277
Other current liabilities	9		-	605,828
			2,836,706	1,972,105
TOTAL EQUITY AND LIABILITIES			3,856,759	2,369,380



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

	Particulars	Note No.	Current year 2017-18	Previous year 2016-17
			INR	INR
i	Revenue from telecommunications services	10	4,259,256	2,024,839
ii	Other Income	11	19,637	6,863
iii	Total income (i + ii)		4,278,892	2,031,702
iv	Expenses:			
	(i) Network and transmission expenses	12	3,885,715	1,601,001
	(ii) Operating and other expenses	13	965,884	1,228,513
	(iii) Finance costs	14	4,516	679
	Total expenses		4,856,114	2,830,193
v	Profit before taxes (iii - iv)		(577,222)	(798,491)
vi	Tax expenses			
	(i) Current tax expense/(benefit)		-	-
	(ii) Deferred tax expense/(benefit)		-	-
	Net tax expenses		-	-
vii	Profit / (loss) for the year (v-vi)		(577,222)	(798,491)



SMART ICT SERVICES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2018	As at 31 March 2017
	INR	INR
Vendor deposits	-	9,713
Total	-	9,713

2 Trade receivables

Particulars	As at 31 March 2018	As at 31 March 2017
	INR	INR
Trade receivables	2,711,813	1,706,492
Total	2,711,813	1,706,492

3 Cash and cash equivalents

Particulars	As at 31 March 2018	As at 31 March 2017
	INR	INR
Balance with bank	103,654	234,636
Total	103,654	234,636

4 Current assets - other assets

Particulars	As at 31 March 2018	As at 31 March 2017
	INR	INR
Indirect tax receivable	1,002,908	410,171
Total	1,002,908	410,171

5 Equity share capital

Particulars	As at 31 March 2018	As at 31 March 2017
	INR	INR
Equity share capital	500,000	500,000
Total	500,000	500,000



6 Other Equity

Particulars	As at 31 March 2018	As at 31 March 2017
	INR	INR
Surplus / (Deficit)		
Opening balance	(8,452,725)	(7,654,234)
Profit / (loss) for the year	(577,222)	(798,491)
Closing balance	(9,029,947)	(8,452,725)

7 Non-current liabilities - other financial liabilities

Particulars	As at 31 March 2018	As at 31 March 2017
	INR	INR
Preference Share Capital	9,550,000	8,350,000
Total	9,550,000	8,350,000

8 Current liabilities - Trade payables

Particulars	As at 31 March 2018	As at 31 March 2017
	INR	INR
Trade payable	2,836,706	1,366,277
Total	2,836,706	1,366,277

9 Current liabilities - other current liabilities

Particulars	As at 31 March 2018	As at 31 March 2017
	INR	INR
Deferred revenue and advance from customers	-	312,763
Other Statutory dues	-	293,065
Total	-	605,828

10 Revenue from operations

Particulars	Current year 2017-18	Previous year 2016-17
	INR	INR
Management consultancy Services	4,259,256	2,024,839
Total	4,259,256	2,024,839



SMART ICT SERVICES PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
11 Other income

Particulars	Current year 2017-18	Previous year 2016-17
	INR	INR
Interest income - others	-	6,863
Miscellaneous income	19,637	-
Total	19,637	6,863

12 Network costs

Particulars	Current year 2017-18	Previous year 2016-17
	INR	INR
Charges for use of transmission facilities	3,885,715	1,601,001
Total	3,885,715	1,601,001

13 Other expenses

Particulars	Current year 2017-18	Previous year 2016-17
	INR	INR
Auditors remuneration	32,500	22,500
Communication expenses	22,580	2,341
Directors fees	-	400,000
Legal and professional fees	876,000	769,000
Miscellaneous expenses	33,204	24,426
Printing and stationery	1,600	675
Travelling and conveyance expenses	-	9,571
Total	965,884	1,228,513

14 Finance costs

Particulars	Current year 2017-18	Previous year 2016-17
	INR	INR
Interest expenses	4,516	679
Total	4,516	679



**TELEENA HOLDING B.V.
AT NIEUWEGEIN**

Annual Report 2017

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FINANCIAL REPORT

Directors' report

The year 2017 was a challenging year for Teleena. While we continued the transition from a mere local MVNE to the Global Enabler of MVNOs and IoT we were also faced with declining revenue (mainly because of two major customers leaving because of their merger and insourcing of hosting activities) and increasing cost as we were executing the strategy. At the end of the year it began to look more positive as the funding and the future for the company seemed to be secured.

During the year management and supervisory board focused on four themes:

1. Improve processes and increase quality under the theme "Professionalize"
2. Building a market presence in the Asia Pacific region
3. Finalize the IoT service offering
4. Secure the continuation of the Company

MVNO customers in the traditional home markets (Netherlands and the United Kingdom) continue to face increased competition but there are now signs of slow increases in revenue and margin.

In January the transaction with Tata Communications (TCL) acquiring 35% of Teleena was completed. The new partnership with TCL forced the organization to change its way of working. The relationship with TCL provides global presence, strong leverage of their global network, existing operator and enterprise relationships and an enormous sales capability. Without any doubt the relationship with TCL will help to open more doors and to shorten sales cycles.

Teleena continued to be very active in the Asia Pacific region in the first 6 month of 2017 but the closing of new business took longer than expected. In April – May the IoT team grew significantly. Also, in April – June investigations took place to merge Teleena with an e-SIM vendor with the purpose to give both companies a stronger position in the IoT market.

In the middle of the year a change of management took place and in August a re-structuring took place with the purpose to reduce the cash-burn rate and create a more logical organization that could easier respond to TCL requirements.

The second part of the year the management team focused on delivering the MyRepublic MVNO to TCL, to further develop the Tata MOVE proposition and exposure through API's and on improving processes and quality. A number of activities was started to improve internal communication and corporation.

In 2017 we also executed on a rigid product and service roadmap with a strong focus on the TCL MOVE proposition mainly developed around the launching MVNO (MyRepublic in Singapore). Finally we also launched the Business Class WiFi service in a partnership with iPass and SAS. The service is open to everyone via a webpage but is being promoted by SAS to its frequent flyer members.

Financial performance

Reported revenue in 2017 is €12,5M (2016: €16,6M; -/- 24%). The decrease in revenue was mainly related to the expected port-out of our largest MVNE customer due to their strategic insourcing decision (-/- €3,1M) and a large customer leaving because of its merger with a mobile operator and the consequent insourcing of its mobile hosting activities (-/- €1,9M). In addition there were several customers ending their business with Teleena and there are several MVNO's who show a steady decline in their revenue with Teleena mainly due to fierce competition and price pressure in our home markets (-/- €1,6M). Newly won customers and MVNO's where business increased contributed €2,5M to the 2017 revenue.

Gross margin for the year was €5,0M (2016: €7,5M; -/-33%) and decreased to 40% of revenue (2016: 45%) mainly as a consequence of a change in sales mix with an increased percentage of traffic related revenues that carry lower gross margins. Reported EBITDA decreased from -/- €1,7M in 2016 to -/- €6,2M in 2017, a decline of €4,5M. Main reasons for the EBITDA decline were the lower gross margin (-/- €2,5M) and higher operational expenses (€2,0M). The year 2017 ended with a net loss after tax of €8,6M compared to 2016 with a net loss of €2,7M.

Cashflow and financial resources

Net cash flow for the year was €2,0M. Cash at hand increased to €2,1M due to the equity investment executed in January of 2017. The cash year-end balance plus the unused credit facility (€0,5M) does not provide sufficient cash resources to fund the 2018 business plan and as such the supervisory board and executive management have started to seek additional funding (€10M) in September 2017. The company's largest shareholder TCL has expressed its willingness to continue to fund the company and negotiations between shareholders for the complete acquisition of the company by TCL are ongoing.

Other than some financial leases and subordinated shareholder loans the company is debt free. Like in all previous years no dividends will be paid to shareholders.

Key figures in perspective

(in euro's x 1.000)	2017	2016	2015	2014	2013	2012
Revenue	12,545	16,550	28,642	28,838	20,930	15,948
Gross margin	4,971	7,470	11,210	12,157	9,615	7,208
GM %	40%	45%	39%	42%	46%	45%
Opex	11,174	9,177	8,603	10,274	7,625	5,814
EBITDA	(6,203)	(1,707)	2,607	1,883	1,990	1,394
Net Profit / (Loss)	(8,638)	(2,698)	788	(463)	794	560
Capex	1,261	1,405	637	2,481	2,955	1,561
#FTE yearend	55	71	67	64	57	48
RGUs	109,000	574,000	545,000	765,000	506,000	262,000
Cash	2,107	63	3,192	1,213	1,483	2,226
Solvency	50%	27%	39%	34%	41%	40%
Current ratio	173%	56%	104%	91%	105%	144%

Solvency ratio = (equity + deferred loans) / balance total

Current ratio = current assets / current liabilities

Risks and risk management

The supervisory board and executive management team meet regularly to review the overall strategic progress of the company as well as reviewing the main business risks. Given the financial situation of the company the new executive management team applied a more conservative approach to risk.

Strategic risks

The company has invested heavily into its strategy:

- Developing new geographic markets outside Europe for the MVNO enablement business line
- Developing new technologies, products and customer portfolio for the IoT business line (enabling the IoT revolution)

Implementing the strategy and the strategic product roadmap with the associated costs created a situation where the executive management team and the supervisory board had to go to the market and look for additional funding in September 2017.

Commercial risks

Teleena's main sources of revenue and margin are recurring income based on the number of revenue generating units (RGUs) under management and recurring margin on mobile data, voice minutes and texts (SMS). As a Business-2-Business player Teleena is dependent on the commercial success of its existing customers as well as the ramp-up (in number of RGUs) of new customers. This commercial risk has been attempted, but not yet successful, to be mitigated by reducing the dependency on a small number of customers by (geographically) spreading as well as taking the organizational, product management and technical measures to be able to profitably serve smaller (but potentially high growth) customers as well.

The company's margin on mobile data, voice minutes and texts ('traffic') is undergoing a radical change due to the overall market trend of increased competition and the rapid growth of mobile data versus the decline of voice minutes and texts. Teleena's innovative service offerings (a.o. the focus on IoT) as well as a continued focus on lowering average wholesale purchase rates have the objective to sustain and increase absolute and relative margin on traffic.

Operational & technical risks

The company's telecommunications and business support systems ('BSS') platforms empower mission critical services for our customers. All services are subject to service level agreements (SLAs) and the trend is that the SLAs become more demanding. Although Teleena will not accept liability for indirect damages, the company might be liable to service credits and direct damages. Service SLA's center around platform availability, capacity, security and (customer) data protection. Management reviews SLA performance on a monthly basis.

To safeguard security and (customer) data protection the company achieved the ISO27001 certification in 2017. The company maintains an insurance portfolio for its assets as well as professional liability insurances. Management believes that the insurance portfolio is sufficient to cover the financial impact of above mentioned risks.

Financial risks

As a result of strategic, commercial and operational & technical risks the company is also exposed to financial risks. Except for the measures as discussed in the notes to the consolidated financial statements – financial instruments and risk management section of the consolidated annual accounts (which for this purpose is bound to be part of this Directors' report) no specific risk management measures have been implemented.

Management and supervisory board has engaged with TCL in negotiations for TCL to take over the remaining shares of the company. This process is not finalized at the end of 2017 but continues into 2018 and is expected to be finalized latest by August 2018.

Going concern

During 2017 it became clear that the previous strategy was not successful mainly because of Teleena's inability to close new contracts and lack of focus on cost control. This led to discussions with TCL to take over the remaining shares and at the end of 2017 a principal agreement was reached, and closure of the transaction is expected to take place in August 2018. If necessary TCL has committed to support Teleena financially through to closure.

Despite the net operational loss realized in 2017, Teleena remains fully confident in its ability to build a profitable organization and the successful continuation of its operations. In 2017, Teleena has implemented cost measures to significantly reduce its operational expenses and to bring its costs base more in line with its existing revenue levels. Teleena forecasts that revenue will be growing again as of 2018 mainly because of its increased business with TCL which will start to compensate for the loss of revenue related to two major customers leaving due to insourcing and mergers. Teleena expects to regain profitability and become cashflow positive latest in 2019.

As part of the transaction with TCL, Teleena is seeking additional funding in the amount of (€10M). TCL has expressed its willingness to continue to fund the company also during the negotiations between shareholders prior to the closure of the transaction.

Outlook

In August 2018 we expect the closure of TCL acquiring the remaining Teleena shares and following that the merger of Teleena with TCL. The merger will mean that Teleena sales will be transferred to TCL and Teleena will become the MOVE product house for TCL which means that TCL will be the sole income for Teleena. The management team is working on securing the current staff will stay onboard through the merger.

Key Information

Incorporation

The Company was incorporated on May 14, 2007, as a Dutch private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*"). The Company has its corporate seat in Nieuwegein, The Netherlands and is registered under number 32123709 with the Trade Register of the Chamber of Commerce "Midden-Nederland", Utrecht, The Netherlands. The Company's principal executive offices are located at Zoomstede 19, 3431 HK Nieuwegein, The Netherlands.

Nature of Company activities

The corporate statutory activities are, amongst others:

- to render national and international Telecommunications solutions and services including voice, SMS and data services, to other enterprises and companies;
- to participate in, and to finance (including to provide security for the debts of third parties) to manage and supervise other enterprises and companies;

Group structure

Teleena Holding B.V. acts as a holding company for its four subsidiaries which are 100% owned:

- Teleena Nederland B.V., Nieuwegein, The Netherlands
- Teleena UK Ltd., London, United Kingdom
- Teleena Singapore Pte Ltd., Singapore
- MuCoSo B.V., Nieuwegein, The Netherlands

Teleena Holding B.V. also holds a minority interest in:

- Airfi Networks Ltd., London, United Kingdom (9,5%)

Nieuwegein, May 16, 2018

Teleena Holding B.V.

CONSOLIDATED ANNUAL ACCOUNTS 2017

Consolidated balance sheet as at December 31, 2017

Consolidated profit & loss account for the year 2017

Consolidated cash flow statement for the year 2017

Notes to the consolidated financial statements

Notes to the consolidated balance sheet as of December 31, 2017

Notes to the consolidated profit & loss account for the year 2017

1 CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2017

(before appropriation of results)

		December 31, 2017		December 31, 2016	
		€	€	€	€
ASSETS					
Fixed assets					
Intangible fixed assets	(1)		2,755,327		2,920,637
Tangible fixed assets	(2)		787,451		967,425
Financial fixed assets	(3)		-		722,317
			<u>3,542,778</u>		<u>4,610,379</u>
Current assets					
Receivables	(4)		2,947,480		2,859,559
Cash and cash equivalents	(5)		2,107,062		63,121
			<u>8,597,320</u>		<u>7,533,059</u>
TOTAL			<u><u>8,597,320</u></u>		<u><u>7,533,059</u></u>

[illegible]

2 CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR 2017

		2017		2016	
		€	€	€	€
Net turnover	(10,11)	12,544,514		16,550,435	
Cost of sales	(12)	7,573,498		9,080,166	
Gross margin			4,971,016		7,470,269
Expenses					
Employee expenses	(13)	5,688,969		5,601,757	
Amortisation and depreciation	(14)	1,606,527		1,515,384	
Other operating expenses	(15)	5,484,840		3,575,802	
			12,780,336		10,692,943
Operating result			-7,809,320		-3,222,674
Financial income and expenses	(16)		-132,582		-107,893
Result before tax			-7,941,902		-3,330,567
Taxes	(17)		-421,842		631,926
			-8,363,744		-2,698,641
Share in result of participating interests	(18)		-274,080		-
Result after tax			-8,637,824		-2,698,641

3 CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2017

The cash flow statement has been prepared using the indirect method.

	2017		2016	
	€	€	€	€
Cash flow from operating activities				
Operating result	-7,809,320		-3,222,674	
Adjustments for:				
Amortisation and depreciation	1,606,527		1,515,384	
Movement of provisions	-16,525		-27,796	
Movement of working capital:				
Stock option expenses	-120,197		158,822	
Movement of receivables	-87,921		1,340,995	
Movement of short-term liabilities (excluding short-term part of long-term debts)	-2,355,550		-1,872,932	
Cash flow from operating activities		-8,782,986		-2,108,201
Interest paid	-132,582		-107,893	
Corporate income tax	26,574		183,689	
		-106,008		75,796
Cash flow from operating activities		-8,888,994		-2,032,405
Cash flow from investment activities				
Investments in intangible fixed assets	-997,460		-877,751	
Investments in tangible fixed assets	-263,783		-527,394	
Cash flow from investment activities		-1,261,243		-1,405,145
Cash flow from financing activities				
Movement of share capital	5,767		-	
Movement of share premium reserve	12,488,188		-	
Movement of statutory reserves	-2,141,856		-	
Other movements other reserves	1,847,897		-	
Movement non-current liabilities	-5,818		307,745	
Cash flow from financing activities		12,194,178		307,745
		2,043,941		-3,129,805

Compilation cash

	2017		2016	
	€	€	€	€
Cash and cash equivalents at January 1		63,121		3,192,926
Movement of cash and cash equivalents		2,043,941		-3,129,805
Cash and cash equivalents at December 31		<u>2,107,062</u>		<u>63,121</u>

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL

Activities

The activities of Teleena Holding B.V. with its registered office in Nieuwegein, and its group companies mainly consist of providing national and international wholesale mobile telecommunication solutions and services.

Registered address

The registered and actual address of Teleena Holding B.V. (CoC file 32123709) is Zoomstede 19 in Nieuwegein.

Group structure

In the consolidated annual report of Teleena Holding B.V. the financial data are included of Teleena Holding B.V. and the following group companies:

LIST OF PARTICIPATING INTERESTS

Teleena Holding B.V. in Nieuwegein is the head of a group of legal entities. The overview of the data as required in accordance with Articles 2:379 and 2:414 of the Dutch Civil Code is included below:

Name, statutory registered office	Share in issued capital %	Included in consolidation
Teleena Nederland B.V. Nieuwegein	100.00	Yes
Teleena UK Ltd. London (UK)	100.00	Yes
Teleena Singapore Pte. Ltd. Singapore	100.00	Yes
MuCoSo B.V. Nieuwegein	100.00	Yes

The Company has the following capital interests which have been valued at historical cost or lower market value:

Name, statutory registered office	Share in issued capital %
Airfi Networks UK Ltd. Berkshire (UK)	9.50

Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the company are considered to be a related party. In addition, statutory directors, other key management and close relatives are regarded as related parties.

Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

Consolidation principles

The consolidation includes the financial information of Teleena Holding B.V., its group companies and other entities in which it exercises control. Group companies are entities in which Teleena Holding B.V. exercises direct or indirect control based on a shareholding of more than one half of the voting rights, or of which it has the authority to govern otherwise their financial and operating policies.

Section 402, Book 2 of the Dutch Civil Code:

Since the income statement of Teleena Holding B.V. is included in the consolidated financial statements, an abridged income statement has been disclosed (in the company financial statements) in accordance with Section 402, Book 2 of the Dutch Civil Code.

Group companies and other entities in which Teleena Holding B.V. exercises control are consolidated in full. Participating interests over which no control can be exercised (associates) are not included in the consolidation.

Intercompany transactions, profits and balances among group companies and other consolidated entities are eliminated, unless these results are realised through transactions with third parties. Unrealised losses on intercompany transactions are also eliminated, unless such a loss qualifies as an impairment. The accounting policies of group companies and other consolidated entities have been changed where necessary, in order to align them to the prevailing group accounting policies.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE CONSOLIDATED ANNUAL ACCOUNTS

The consolidated financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the notes.

Comparison with previous year

The valuation principles and method of determining the result are the same as those used in the previous year, with the exception of the changes in accounting policies as set out in the relevant sections.

Going concern

The accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are based on the assumption of continuity of the company. Despite the net operational loss realized in 2017, Teleena remains fully confident in its ability to build a profitable organization and the successful continuation of its operations. In 2017, Teleena has implemented cost measures to significantly reduce its operational expenses and to bring its costs base more in line with its existing revenue levels. Teleena forecasts that revenue will be growing again as of 2018 mainly because of its increased business with TCL which will start to compensate for the loss of revenue related to two major customers leaving due to insourcing and mergers. Teleena expects to regain profitability and become cashflow positive latest in 2019.

Teleena is in discussions with the shareholders to arrange for additional funding. The shareholders have expressed their willingness to provide such further financing.

Change in accounting estimates applied for revenue recognition of implementation fees

Until 31 December 2016, revenue from implementation fees were recognised based on the duration of the wholesalers contract. As of the current period (2017), the revenue of implementation fees is recognized upon effective date of the actual implementation. The accrual relating to this deferred revenue from implementation fees as per 31 December 2016 amounts EUR 638k. This deferred revenue is fully recognised in the current period (2017). In addition, an amount of EUR 725k is recognized as implementation fees based on implementations with an effective date in the current year (2017). No deferred revenue accrual relating to implementation fees is present as per 31 December 2017.

These changes in accounting estimates have a positive impact of approximately EUR 281k on the net turnover.

Estimates

In applying the principles and policies for drawing up the financial statements, the directors of Teleena Holding B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

Leasing

Financial leasing:

The Company leases some of the assets, whereby it retains substantially all the risks and rewards of ownership of these assets. These assets are recognised on the balance sheet upon commencement of the lease contract at the lower of the fair value of the asset or the discounted value of the minimum lease payments. The lease instalments to be paid are divided into a repayment and an interest portion, using the annuity method. The liabilities under the lease, excluding the interest payments, are included under long-term debts. The interest component is included in the income statement for the duration of the contract on the basis of a fixed interest percentage of the average remaining redemption component. The assets are depreciated over the remaining economic life or, if shorter, the duration of the contract.

Operational leasing:

The Company may have lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of nor incurred by the Company. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the income statement for the duration of the contract.

Translation of foreign currency

Functional currency:

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the respective group companies operate (the functional currency). The consolidated financial statements are presented in euros, which is the functional and presentation currency of Teleena Holding B.V.

Transactions, receivables and liabilities:

Transactions in foreign currencies are stated in the consolidated financial statements at the exchange rate of the functional currency on the transaction date. Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the profit and loss account, unless hedge-accounting is applied. Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date. Non-monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date on which the fair value was determined.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Intangible fixed assets

Intangible fixed assets are presented at historical cost less accumulated amortisation and, if applicable, less impairments in value. Amortisation is charged as a fixed percentage of cost, as specified in more detail in the notes to the balance sheet. The useful life and the amortisation method are reassessed at the end of each financial year.

Tangible fixed assets

Tangible fixed assets are presented at acquisition price less cumulative depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

Financial fixed assets

Participations:

Participations (associates), over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of an associate based on the net asset value is negative, it will be stated at € 1. If and insofar as the Company can be held fully or partially liable for the debts of the associate, or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

The amount by which the carrying amount of the associate has changed since the previous financial statements as a result of the net result achieved by the associate is recognised in the income statement. In the event of an impairment loss, valuation takes place at the realisable value (see also section "Impairment of non-current assets"); an impairment is recognised and charged to the income statement.

Deferred tax assets:

Deferred tax assets are recognised for all deductible temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the accounting policies used in these financial statements on the other, on the understanding that deferred tax assets are only recognised insofar as it is probable that future taxable profits will be available to offset the temporary differences and available tax losses. The calculation of the deferred tax assets is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

Deferred income taxes are recognised at nominal value.

Impairment of non-current assets

On each balance sheet date, the company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realisable value of the asset is determined. If it is not possible to determine the realisable value of the individual asset, the realisable value of the cash-generating unit to which the asset belongs is determined. An impairment occurs when the carrying amount of an asset is higher than the realisable value; the realisable value is the higher of the fair value less cost to sell and the value in use. An impairment loss is directly recognised in the income statement while the carrying amount of the asset concerned is concurrently reduced.

The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the income statement.

The amount of an impairment loss incurred on financial assets stated at amortised cost 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 (i.e. the effective interest rate computed at initial recognition). 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 shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised through profit or loss.

If an impairment loss has been incurred on an investment in an equity instrument carried at cost, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The impairment loss shall be reversed only if the evidence of impairment is objectively shown to have been removed.

Other receivables, accruals and prepayments

Upon initial recognition the receivables on and loans to participations and other receivables are valued at fair value and then valued at amortised cost, which equals the face value, after deduction of any provisions. The fair value and amortised cost equal the face value. Any provisions for the risk of doubtful debts are deducted. These provisions are determined based on individual assessment of the receivables. The (remaining) maturity is less than one year.

Cash and cash equivalents

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account in the valuation.

Provisions

Provisions are measured at the best estimate of the amount that is necessary to settle the obligation as per the balance sheet date. Provisions are carried at the nominal value of the expenditure that is expected to be necessary in order to settle the obligation, unless stated otherwise.

Deferred tax liability

Deferred tax liabilities are recognised for temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the book values applied in these financial statements on the other. The computation of the deferred tax liabilities is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

Deferred income tax is provided on temporary differences arising on investments in group companies, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by Teleena Holding B.V. and it is probably that the temporary difference will not reverse in the foreseeable future.

Deferred tax balances are valued at nominal value.

Non-current liabilities

On initial recognition non-current liabilities are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the non-current liabilities are included in the initial recognition. After initial recognition non-current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the income statement on the basis of the effective interest rate during the estimated term of the non-current liabilities.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value. All current liabilities fall due in less than one year.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

The result is defined as the difference between the revenue from goods delivered and services performed on one hand and, on the other hand, the costs and expenses for that year, valued at historical costs.

Net turnover

Net turnover comprises the income from the supply of services and realised income from contracts after deduction of discounts and such like and of taxes levied on the turnover. Net turnover is recognised in proportion to the services delivered, based on the services rendered up to the balance sheet date in proportion to the total of services to be rendered.

Cost of sales

Cost of sales represents direct and indirect expenses attributable to net turnover.

Other operating expenses

Other operating expenses comprise costs chargeable to the year that are not directly attributable to the cost of the services sold.

Employee expenses

Employee expenses (wages, salaries, social security contributions, etc.) are presented as a separate item in the income statement. Employee expenses are charged to the profit and loss account based on the terms of employment, where they are due to employees and the tax authorities respectively.

Amortisation and depreciation

Intangible assets are amortised and tangible fixed assets are depreciated over their estimated useful lives as from the moment they are ready for use.

Financial income and expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration. Currency translation differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they are realised.

Share in result of participating interests

The result is the amount by which the carrying amount of the participations has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to Teleena Holding B.V.

Taxes

Tax on the result is calculated based on the result before tax in the profit and loss account, taking account of the losses available for set-off from previous financial years and exempt profit components and after the addition of non-deductible costs.

PRINCIPLES FOR PREPARATION OF THE CONSOLIDATED CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method.

The cash items disclosed in the cash flow statement comprise cash at banks and in hand. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Interest paid and received, dividends received and income taxes are included in cash from operating activities.

Dividends paid are recognised as cash used in financing activities.

The purchase consideration paid for the acquired group company has been recognised as cash used in investing activities where it was settled in cash. Any cash at banks and in hand in the acquired group company have been deducted from the purchase consideration.

Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognised in the cash flow statement. Payments of finance lease instalments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

5 NOTES TO THE CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2017

ASSETS

FIXED ASSETS

1. Intangible fixed assets

	Network and software	Goodwill	Total
	€	€	€
<i>Carrying amount as of January 1, 2017</i>			
Purchase price	7,293,221	150,000	7,443,221
Cumulative amortization and impairment	-4,421,334	-101,250	-4,522,584
	<u>2,871,887</u>	<u>48,750</u>	<u>2,920,637</u>
<i>Movement</i>			
Investments	997,460	-	997,460
Disposals	-509,522	-	-509,522
Depreciation disposals	509,522	-	509,522
Amortization	-1,147,770	-15,000	-1,162,770
	<u>-150,310</u>	<u>-15,000</u>	<u>-165,310</u>
<i>Carrying amount as of December 31, 2017</i>			
Purchase price	7,781,159	150,000	7,931,159
Cumulative amortization and impairment	-5,059,582	-116,250	-5,175,832
	<u>2,721,577</u>	<u>33,750</u>	<u>2,755,327</u>
<i>Amortisation rates</i>			%
Network and software			20
Goodwill			10

2. Tangible fixed assets

	Network equipment	Other fixed assets	Total
	€	€	€
<i>Carrying amount as of January 1, 2017</i>			
Purchase price	2,271,373	252,369	2,523,742
Cumulative depreciation and impairment	-1,401,075	-155,242	-1,556,317
	<u>870,298</u>	<u>97,127</u>	<u>967,425</u>
<i>Movement</i>			
Investments	197,828	65,955	263,783
Disposals	-	-57,367	-57,367
Depreciation disposals	-	57,367	57,367
Depreciation	-372,335	-71,422	-443,757
	<u>-174,507</u>	<u>-5,467</u>	<u>-179,974</u>
<i>Carrying amount as of December 31, 2017</i>			
Purchase price	2,469,201	260,957	2,730,158
Cumulative depreciation and impairment	-1,773,410	-169,297	-1,942,707
	<u>695,791</u>	<u>91,660</u>	<u>787,451</u>
<i>Depreciation rates</i>			%
Network equipment			20
Other fixed assets			20-33

3. Financial fixed assets

	12/31/2017	12/31/2016
	€	€
Other participating interests		
Airfi Networks UK Ltd. at Berkshire (UK) (9,5%)	<u>-</u>	<u>274,080</u>
Other receivables		
Deferred tax asset	<u>-</u>	<u>448,237</u>

As per 31 December 2017, total tax loss carry forward amounts € 9,7 million. Due to the uncertainty relating to future profitability to compensate for these losses, no deferred tax asset is recognized as per 31 december 2017.

CURRENT ASSETS

The fair value of the receivables approximates the carrying amount due to their short-term character and the fact that provisions for bad debt are recognised, where necessary.

	12/31/2017	12/31/2016
	€	€
4. Receivables		
Trade receivables	1,476,569	906,585
Corporate income tax	179,138	-
Taxes and social securities	268,386	268,505
Other receivables and prepayments	1,023,387	1,684,469
	<u>2,947,480</u>	<u>2,859,559</u>
Trade receivables		
Trade debtors	1,818,316	1,225,374
Provision for bad debt	-341,747	-318,789
	<u>1,476,569</u>	<u>906,585</u>
Corporate income tax		
Corporate income tax	<u>179,138</u>	<u>-</u>
Taxes and social securities		
Turnover tax	<u>268,386</u>	<u>268,505</u>
Other receivables and prepayments		
Deposits and other receivables	116,547	67,394
Prepayments and accrued income	906,840	1,617,075
	<u>1,023,387</u>	<u>1,684,469</u>

	12/31/2017	12/31/2016
	€	€
5. Cash and cash equivalents		
ABN AMRO Bank N.V.	259,642	22,704
ABN AMRO Bank N.V. - deposit	1,847,420	40,417
	<u>2,107,062</u>	<u>63,121</u>

An amount of € 47,420 (2016: € 39,716) is not freely disposable as guarantee for the building rental agreement.

6. Group equity

Please refer to the notes to the Company balance sheet on page 41 of this report for an explanation of the equity.

7. Provisions

Deferred tax liability

12/31/2017	12/31/2016
€	€

9,519	26,044
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Deferred tax liability

This provision concerns the temporary differences between the valuation in the annual account and the tax valuation of assets and liabilities. The provision is calculated based on the applicable tax rate of 20,00%.

	2017	2016
	€	€
Carrying amount as of January 1	26,044	53,840
Movement	-16,525	-27,796
Carrying amount as of December 31	9,519	26,044

12/31/2017	12/31/2016
€	€

8. Non-current liabilities

Subordinated loans
Financial lease liabilities

513,064	482,064
180,362	257,745
693,426	739,809

Subordinated loans

Subordinated loan shareholder A	320,886	320,886
Subordinated loan shareholder B	111,178	111,178
Subordinated loan shareholder C	-	25,000
Subordinated loan shareholder D	81,000	25,000
	513,064	482,064

The interest on the loans is 7% and is paid-out on a monthly basis. There aren't any defined repayment obligations on the subordinated loans, it's possible for the shareholders to define when and how the debt will be redeemed.

	12/31/2017	12/31/2016
	€	€
Financial lease liabilities		
De Lage Landen	180,362	257,745

The repayment takes place in monthly instalments. The interest-rate is between 0% and 2% and is fixed during the underlying maturity of the financial lease agreements. The remaining maturity of the outstanding balance per December 31, 2017 is shorter than 5 years.

9. Current liabilities

Repayment obligation non-current liabilities	199,939	159,194
Trade creditors	1,225,149	2,194,774
Corporate income tax	2,596	12,410
Taxes and social securities	153,206	359,452
Other liabilities, accruals and deferred income	1,345,475	2,515,341
	<u>2,926,365</u>	<u>5,241,171</u>

The fair value of the current liabilities approximates the book value due to their short-term character. All current liabilities fall due in less than one year.

Repayment obligation non-current liabilities

Financial lease liabilities	199,939	159,194
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Payables to group companies

No interest has been calculated. With regards to repayments and securities no agreements have been made.

Taxes and social securities

Wage tax	153,206	359,452
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Other liabilities, accruals and deferred income

Accruals and deferred income	1,345,475	2,515,341
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CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities

Credit facility

Teleena Holding B.V. and its group companies are severally and jointly liable to the lending institutions. The Company has a credit facility amounting to € 500,000 as of July 2015. For the credit facility securities have been given by securing all current and future stock, inventory and receivables.

Long-term financial obligations

Investment commitments

Per balance sheet date, the Company has outstanding purchase commitments amounting to € 90,664 (2016: € 99,700).

Lease commitments

Minimum total lease payments arising under non-cancellable operating leases amount to approximately € 218,583 (2016: € 175,891):
< 1 year: € 81,349 (2016: € 102,915);
2 - 5 years: € 137,234 (2016: € 72,976);
> 5 years: € nil (2016: € nil).

Rental commitments

The group leases office space of which the minimum annual rental payments amount to € 190,501. The Company provided a bank guarantee of € 47,420 (2016: € 39,716) relating to the lease of this office space. The lease is for a period of 5 years ending May 2022, with an option to renew for another period of 5 years.

Other financial commitment

The Company has signed a licenses subscription contract, initially amounting to € 1,041,130 (USD 1,265,625) for a period of 5 years. The annual payments amount to € 208,225 (USD 253,125) and ends in September 2018.

6 NOTES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR 2017**10. Net turnover**

The revenues decreased in 2017 compared to 2016 with 24.2 %.

	2017	2016
	€	€
11. Net turnover		
Traffic	8,013,920	9,240,970
Services	4,530,594	7,309,465
	<u>12,544,514</u>	<u>16,550,435</u>

12. Cost of sales

Traffic	5,751,678	6,676,950
Services	1,821,820	2,403,216
	<u>7,573,498</u>	<u>9,080,166</u>

13. Employee expenses

Wages and salaries	5,203,671	4,888,148
Social security charges	691,463	623,844
Capitalised hours and S&O grants	-85,968	-69,057
Provision stock option plan	-120,197	158,822
	<u>5,688,969</u>	<u>5,601,757</u>

Emoluments of directors and supervisory directors

The total remuneration of the executive and non-executive directors of the Company (including pension obligations) which were charged in 2017 amount to € 470.405 (2016: € 426.750).

Staff

At the Company during 2017, on average 69 employees were employed (2016: 65). Of these 2 were employed outside The Netherlands (2016: 2).

14. Amortisation and depreciation

Intangible fixed assets	1,162,770	1,067,573
Tangible fixed assets	443,757	447,811
	<u>1,606,527</u>	<u>1,515,384</u>

Amortisation of intangible fixed assets

Network and software	1,147,770	1,052,573
Goodwill	15,000	15,000
	<u>1,162,770</u>	<u>1,067,573</u>

	2017	2016
	€	€
<i>Depreciation of tangible fixed assets</i>		
Network equipment	372,335	383,421
Other fixed assets	71,422	64,390
	<u>443,757</u>	<u>447,811</u>
15. Other operating expenses		
Other personnel expenses	402,321	327,650
Housing and office expenses	384,933	396,520
Travel and entertainment expenses	556,069	456,829
Selling expenses	103,965	156,072
Consultancy and advisory expenses	4,014,594	2,176,103
General expenses	22,958	62,628
	<u>5,484,840</u>	<u>3,575,802</u>
16. Financial income and expenses		
Interest and similar income	1,455	8,415
Interest and similar expenses	-134,037	-116,308
	<u>-132,582</u>	<u>-107,893</u>
<i>Interest and similar income</i>		
Interest income bank	<u>1,455</u>	<u>8,415</u>
<i>Interest and similar expenses</i>		
Interest expenses bank	-15,912	-11,852
Interest expenses subordinated loans	-34,071	-33,744
Other interest expenses and payment differences	-42,251	-45,483
Exchange-rate differences	-41,803	-25,229
	<u>-134,037</u>	<u>-116,308</u>
17. Taxes		
Corporate income tax	26,395	183,689
Movement of deferred tax liabilities	-448,237	448,237
	<u>-421,842</u>	<u>631,926</u>
18. Share in result of participating interests		
Impairment of Airfi Networks UK Ltd.	<u>-274,080</u>	<u>-</u>

COMPANY ANNUAL ACCOUNTS 2017

Company balance sheet as at December 31, 2017

Company profit & loss account for the year 2017

Notes to the company financial statements

Notes to the company balance sheet as of December 31, 2017

Notes to the company profit & loss account for the year 2017

Other disclosures

7 COMPANY BALANCE SHEET AS AT DECEMBER 31, 2017

(before appropriation of results)

		December 31, 2017		December 31, 2016	
		€	€	€	€
ASSETS					
Fixed assets					
Intangible fixed assets	(19)		2,435,619		2,871,887
Tangible fixed assets	(20)		665,456		870,298
Financial fixed assets	(21)		82,226		895,696
Current assets					
Receivables	(22)		1,291,118		953,697
Cash and cash equivalents	(23)		1,883,277		-
TOTAL			<u>6,357,696</u>		<u>5,591,578</u>

		December 31, 2017		December 31, 2016	
		€	€	€	€
EQUITY AND LIABILITIES					
Equity	(24)				
Share capital		33,684		27,917	
Share premium reserve		14,636,146		2,147,958	
Stock option reserve		38,625		158,822	
Legal reserves		606,286		-	
Statutory reserves		-		2,141,856	
Other reserves		-1,708,907		-251,877	
Unappropriated result		-8,637,824		-2,698,641	
			4,968,010		1,526,035
Provisions	(25)		9,519		26,044
Non-current liabilities	(26)		693,426		739,809
Current liabilities	(27)		686,741		3,299,690
TOTAL			<u>6,357,696</u>		<u>5,591,578</u>

8 COMPANY PROFIT & LOSS ACCOUNT FOR THE YEAR 2017

	2017	2016
	€	€
Share in result of participations in group companies	-5,345,021	-553,783
Company result after tax	-3,292,803	-2,144,858
Result after tax	-8,637,824	-2,698,641

9 NOTES TO THE COMPANY FINANCIAL STATEMENTS

The company annual accounts have been prepared in accordance with Title 9 Book 2 of the Dutch Civil Code.

For the general principles for the preparation of the annual account, the principles for valuation of assets and liabilities and determination of the result, as well as for the notes to the specific assets and liabilities and the results, reference is made to the notes to the consolidated annual account, if there is no further explanation provided.

Financial fixed assets

Participating interests in group companies where extensive influence is exerted on business and financial policies are valued based on the net capital value that is, however, not lower than € 1. This net capital value is calculated based on the principles of Teleena Holding B.V.

Participating interests with a negative net capital value are valued at € 1. When the company guarantees (wholly or partially) debts of the participating interest concerned, a provision is created primarily at the expense of claims against this participating interest and for the remainder under the provisions of the remaining part in the losses of the participating interest or the expected payments by the company on behalf of these participating interests.

10 NOTES TO THE COMPANY BALANCE SHEET AS OF DECEMBER 31, 2017

ASSETS

FIXED ASSETS

19. Intangible fixed assets

	Network and software
	€
<i>Carrying amount as of January 1, 2017</i>	
Purchase price	7,293,221
Cumulative amortization and impairment	-4,421,334
	<u>2,871,887</u>
<i>Movement</i>	
Investments	711,502
Disposals	-509,522
Depreciation disposals	509,522
Amortization	-1,147,770
	<u>-436,268</u>
<i>Carrying amount as of December 31, 2017</i>	
Purchase price	7,495,201
Cumulative amortization and impairment	-5,059,582
	<u>2,435,619</u>
<i>Amortisation rates</i>	
	%
Network and software	20

20. Tangible fixed assets

	Network equipment
	€
<i>Carrying amount as of January 1, 2017</i>	
Purchase price	2,271,373
Cumulative depreciation and impairment	-1,401,075
	<u>870,298</u>
<i>Movement</i>	
Investments	167,493
Depreciation	-372,335
	<u>-204,842</u>
<i>Carrying amount as of December 31, 2017</i>	
Purchase price	2,438,866
Cumulative depreciation and impairment	-1,773,410
	<u>665,456</u>
<i>Depreciation rates</i>	%
Network equipment	20

21. Financial fixed assets

	12/31/2017	12/31/2016
	€	€
Participations in group companies		
Teleena Nederland B.V. at Nieuwegein (100%)	1	129,590
Teleena UK Ltd. at London (UK) (100%)	50,875	43,986
Teleena Singapore Pte. Ltd. at Singapore (100%)	32,975	-
MuCoSo B.V. at Nieuwegein (100%)	-1,625	-197
	<u>82,226</u>	<u>173,379</u>

	2017	2016
	€	€
<i>Teleena Nederland B.V.</i>		
Carrying amount as of January 1	129,590	694,891
Share in result	-5,080,039	-565,301
	-4,950,449	129,590
Provision	4,950,450	-
Carrying amount as of December 31	1	129,590

Teleena UK Ltd.

Carrying amount as of January 1	43,986	36,806
Exchange difference	-2,670	-4,453
Share in result	9,559	11,633
Carrying amount as of December 31	50,875	43,986

Teleena Singapore Pte. Ltd.

Carrying amount as of January 1	-	-
Investments	23,251	-
Exchange difference	8,757	-
Share in result	967	-
Carrying amount as of December 31	32,975	-

MuCoSo B.V.

Carrying amount as of January 1	-197	-82
Share in result	-1,428	-115
Carrying amount as of December 31	-1,625	-197

	12/31/2017	12/31/2016
	€	€

Other participating interests

Airfi Networks UK Ltd. at Berkshire (UK) (9,5%)	-	274,080
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Other receivables

Deferred tax asset	-	448,237
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As per 31 December 2017, total tax loss carry forward amounts € 9,7 million. Due to the uncertainty relating to future profitability to compensate for these losses, no deferred tax asset is recognized as per 31 december 2017.

CURRENT ASSETS

The fair value of the receivables approximates the carrying amount due to their short-term character and the fact that provisions for bad debt are recognised, where necessary.

	12/31/2017	12/31/2016
	€	€
22. Receivables		
Trade receivables	-	45,314
Receivables from group companies	530,459	303,775
Corporate income tax	179,138	-
Taxes and social securities	122,271	-
Other receivables and prepayments	459,250	604,608
	<u>1,291,118</u>	<u>953,697</u>

Receivables from group companies

Teleena Nederland B.V.	168,670	-
Teleena UK Ltd.	-	303,527
Teleena Singapore Pte. Ltd.	356,171	-
MuCoSo B.V.	5,618	248
	<u>530,459</u>	<u>303,775</u>

No interest has been calculated. With regards to repayments and securities no agreements have been made.

The nominal value of the receivable from group company Teleena Nederland B.V. amounts € 5,119,120. Net equity of Teleena Nederland B.V. as per 31 december 2017 amounts -/- € 4,950,449. Teleena Holding B.V. has included a provision equal to the net equity value of Teleena Nederland B.V., resulting in a net receivable of € 168,670.

Taxes and social securities

Turnover tax	<u>122,271</u>	<u>-</u>
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Other receivables and prepayments

Deposits and other receivables	90,664	64,859
Prepayments and accrued income	368,586	539,749
	<u>459,250</u>	<u>604,608</u>

	12/31/2017	12/31/2016
	€	€
23. Cash and cash equivalents		
ABN AMRO Bank N.V.	83,277	-
ABN AMRO Bank N.V. - deposit	1,800,000	-
	<u>1,883,277</u>	<u>-</u>

EQUITY AND LIABILITIES

24. Equity

	12/31/2017	12/31/2016
	€	€
Share capital		
Subscribed and paid up 1,122,812 ordinary shares at par value € 0.03	33,684	27,917

	2017	2016
	€	€
Share premium reserve		
Carrying amount as of January 1	2,147,958	2,147,958
Movement	12,488,188	-
Carrying amount as of December 31	14,636,146	2,147,958

Stock option reserve

Carrying amount as of January 1	158,822	-
Movement	-120,197	158,822
Carrying amount as of December 31	38,625	158,822

	12/31/2017	12/31/2016
	€	€

Legal reserves

Reserve for research and development	606,286	-
--------------------------------------	---------	---

	2017	2016
	€	€

Reserve for research and development

Carrying amount as of January 1	-	-
Allocation	606,286	-
Carrying amount as of December 31	606,286	-

	2017	2016
	€	€
Other reserves		
Carrying amount as of January 1	-251,877	-1,039,608
Allocation of previous financial year net result	-2,698,641	787,731
Allocation legal and statutory reserves	-606,286	-
Other movements other reserves	1,847,897	-
Carrying amount as of December 31	<u>-1,708,907</u>	<u>-251,877</u>

Unappropriated result

Carrying amount as of January 1	-2,698,641	787,731
Net result of the financial year	-8,637,824	-2,698,641
Allocation of previous financial year net result	2,698,641	-787,731
Carrying amount as of December 31	<u>-8,637,824</u>	<u>-2,698,641</u>

12/31/2017	12/31/2016
€	€

25. Provisions

Deferred tax liability	<u>9,519</u>	<u>26,044</u>
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Deferred tax liability

This provision concerns the temporary differences between the valuation in the annual account and the tax valuation of assets and liabilities. The provision is calculated based on the applicable tax rate of 20,00%.

	2017	2016
	€	€
Carrying amount as of January 1	26,044	53,840
Movement	-16,525	-27,796
Carrying amount as of December 31	<u>9,519</u>	<u>26,044</u>

	12/31/2017	12/31/2016
	€	€
26. Non-current liabilities		
Subordinated loans	513,064	482,064
Financial lease liabilities	180,362	257,745
	<u>693,426</u>	<u>739,809</u>

27. Current liabilities

Debt to financial institutions	-	199,831
Repayment obligation non-current liabilities	199,939	159,194
Trade creditors	422,903	682,873
Payables to group companies	5,509	1,870,774
Corporate income tax	-	9,502
Other liabilities, accruals and deferred income	58,390	377,516
	<u>686,741</u>	<u>3,299,690</u>

The fair value of the current liabilities approximates the book value due to their short-term character. All current liabilities fall due in less than one year.

Debt to financial institutions

ABN AMRO Bank N.V.	-	199,831
	<u>-</u>	<u>199,831</u>

Repayment obligation non-current liabilities

Financial lease liabilities	199,939	159,194
	<u>199,939</u>	<u>159,194</u>

Payables to group companies

Teleena Nederland B.V.	-	1,870,774
Teleena UK Ltd.	5,509	-
	<u>5,509</u>	<u>1,870,774</u>

No interest has been calculated. With regards to repayments and securities no agreements have been made.

Other liabilities, accruals and deferred income

Accruals and deferred income	58,390	377,516
	<u>58,390</u>	<u>377,516</u>

CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities

Tax entity

The company constitutes a tax entity for corporate income tax with Teleena Nederland B.V. and MuCoSo B.V. Consequently the company is severally liable for the resulting debts.

The company constitutes a tax entity for value added tax with Teleena Nederland B.V. Consequently the company is severally liable for the resulting debts.

11 NOTES TO THE COMPANY PROFIT & LOSS ACCOUNT FOR THE YEAR 2017

Staff

During the 2017 financial year the company had no employees.

28. Share in result of participating interests

	2017	2016
	€	€
Share in result of Teleena Nederland B.V.	-5,080,039	-565,301
Share in result of Teleena UK Ltd.	9,559	11,633
Share in result of Teleena Singapore Pte. Ltd.	967	-
Share in result of MuCoSo B.V.	-1,428	-115
Impairment of Airfi Networks UK Ltd.	-274,080	-
	<u>-5,345,021</u>	<u>-553,783</u>

12 OTHER DISCLOSURE

Post balance sheet events

There are no post balance sheet events.

Recognition of the loss for 2017

In accordance with the legal provisions, the loss of € 8,637,824 for 2017 in the 2018 financial year will be deducted from the other reserves.

Awaiting the approval by the General Meeting, this proposition has not been processed in the annual account and is, therefore, included in the undistributed result entry.

Signing of the financial statements

Nieuwegein, May 16, 2018

On behalf of,

K. Bybjerg

OTHER INFORMATION

OTHER INFORMATION

1 Provisions of the Articles of Association relating to profit appropriation

The articles of association stipulate in accordance with article 16, that the annual result obtained is at the free disposal of the General Meeting. The holders of the shares are entitled to a dividend distribution on the shares held by them, if and insofar as the annual profit is adequate.

2 Recognition of the loss for 2017

In accordance with the legal provisions, the loss of € 8,637,824 for 2017 in the 2018 financial year will be deducted from the other reserves.

Awaiting the approval by the General Meeting, this proposition has not been processed in the annual account and is, therefore, included in the undistributed result entry.

INDEPENDENT AUDITOR'S REPORT

To: The shareholders and the supervisory board of Teleena Holding B.V.

A. Report on the audit of the financial statements 2017 included in the annual report**Our opinion**

We have audited the financial statements 2017 of Teleena Holding B.V., based in Nieuwegein.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Teleena Holding B.V. as at 31 December 2017, and of its result for 2017 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the consolidated and company balance sheet as at 31 December 2017;
2. the consolidated and company profit and loss account for 2017; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Teleena Holding B.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Material uncertainty related to going concern

We draw attention to the going concern paragraph in the notes of the financial statements which indicates that the company is seeking for additional funding. The company is in discussion with its shareholders to arrange for this additional funding. Shareholders have expressed their willingness to provide such further financing. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The directors' report;
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

C. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements 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 should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to
- those risks, and obtaining 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;
- Obtaining 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;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding 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 a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

's-Hertogenbosch, 16 May 2018

Q-Concepts Accountancy B.V.


C.J. Pijnenburg RA

STT Global Data Centres India Private Limited

(formerly known as Tata Communications Data Centers Private Limited)

Balance Sheet

as at 31 March 2018

Currency in Indian Rupees

			₹ in lakhs
	Note	As at 31 March 2018	As at 31 March 2017
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	75,375.25	74,378.50
(b) Capital work-in-progress		1,653.92	2,596.93
(c) Other intangible assets	4	80.04	120.92
(d) Financial assets			
(i) Other financial assets	5	604.89	108.82
(e) Deferred tax assets (net)	6	2,986.40	1,958.21
(f) Other tax assets (net)		3,603.56	5,575.71
(g) Other non-current assets	7A	5,304.20	926.27
Total non-current assets		89,608.26	85,665.36
2 Current assets			
(a) Financial assets			
(i) Investments	8	17,693.89	10,700.18
(ii) Trade receivables	9	17,267.28	9,339.56
(iii) Cash and cash equivalents	10	1,605.91	1,338.23
(iv) Bank balances other than cash and cash equivalents	11	-	2,292.34
(v) Unbilled receivables		6,038.28	5,029.11
(b) Other current assets	7B	1,031.75	1,929.65
Total current assets		43,637.11	30,629.07
Total assets		1,33,245.37	1,16,294.43
B EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	12	1.00	1.00
(b) Other equity	13	18,924.47	12,238.69
Total equity		18,925.47	12,239.69
II Liabilities			
1 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	78,337.48	78,923.64
(ii) Other financial liabilities	15A	39.70	26.34
(b) Provisions	16A	317.28	275.94
(c) Other non-current liabilities	17A	3,072.02	3,845.30
Total non-current liabilities		81,766.48	83,071.22
2 Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	18	18,720.98	8,966.78
(ii) Other financial liabilities	15B	11,233.96	7,812.20
(b) Other current liabilities	17B	2,532.84	4,179.39
(c) Provisions	16B	65.64	25.15
Total current liabilities		32,553.42	20,983.52
Total equity and liabilities		1,33,245.37	1,16,294.43
Significant accounting policies	2		
The accompanying notes form an integral part of the financial statements	1 to 38		

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Glenn D'souza
Partner
Membership no. : 112554

Sumit Mukhija
Chief Executive Officer

Bruno Lopez
Director
DIN : 07554875

Tri Pham
Director
DIN : 06746192

Bimal Khandelwal
CFO

MUMBAI
DATED: 18 Jun 2018

MUMBAI
DATED: 18 Jun 2018

STT Global Data Centres India Private Limited

(formerly known as Tata Communications Data Centers Private Limited)

Statement of Profit and Loss

for the year ended 31 March 2018

Currency in Indian Rupees

	Note	For the year ended 31 March 2018	₹ in lakhs For the year ended 31 March 2017
I Revenue from operations		86,832.84	73,765.80
II Other income	19	1,537.52	589.93
III Total Income (I + II)		88,370.36	74,355.73
IV EXPENSES:			
Operating and other expenses	20	51,919.76	47,125.56
Employee benefits expense	21	3,383.41	2,578.24
Finance costs	22	9,440.25	7,709.61
Depreciation and amortisation expense	23	13,231.79	11,523.86
Total Expenses		77,975.21	68,937.27
V Profit before tax (III-IV)		10,395.15	5,418.46
VI Tax expense	24		
(a) Current tax		4,727.50	2,072.76
(b) Deferred tax		(1,024.71)	(93.01)
		3,702.79	1,979.75
VII Profit for the year (V - VI)		6,692.36	3,438.71
VIII Other comprehensive income/(loss)			
(A) Items that will not be subsequently reclassified to profit or loss			
(i) Remeasurements of the defined employee benefit plans		(10.06)	(7.64)
(ii) Income tax relating to items that will not be subsequently reclassified to statement of profit and loss		3.48	2.64
Other comprehensive (loss) for the year, net of tax		(6.58)	(5.00)
IX Total comprehensive income for the year, net of tax (VII + VIII)		6,685.78	3,433.71
Earnings per share			
Basic/ Diluted (of ₹ 10 each)	26	66,923.60	34,387.10
Significant accounting policies	2		
The accompanying notes form an integral part of the financial statements	1 to 38		

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

For and on behalf of the Board of Directors

Glenn D'souza

Partner

Membership No: 112554

Sumit Mukhija

Chief Executive Officer

Bruno Lopez

Director

DIN : 07554875

Tri Pham

Director

DIN : 06746192

Bimal Khandelwal

CFO

MUMBAI

DATED: 18 Jun 2018

MUMBAI

DATED: 18 Jun 2018

STT Global Data Centres India Private Limited

(formerly known as Tata Communications Data Centers Private Limited)

Statement of Changes in Equity

for the year ended 31 March 2018

Currency in Indian Rupees

A Equity Share Capital

	₹ in lakhs	
	No. of Shares	Amount
Balance as at 1 April 2016	10,000	1.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2017	10,000	1.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2018	10,000	1.00

B Other Equity

					₹ in lakhs
Particulars	Reserve & Surplus			Other comprehensive Income	Total Other Equity
	Debtur Redemption Reserve	General Reserve	Retained earnings	Reamusement of defined benefit plan	
Balance as at 1 April 2016	8,750.00	-	59.82	(4.84)	8,804.98
Profit for the year	-	-	3,438.71	-	3,438.71
Transfer to General Reserve on redemption of debentures	(8,750.00)	-	-	-	(8,750.00)
Transfer from debtur redemption reserve on redemption of debentures	-	8,750.00	-	-	8,750.00
Remeasurements of the defined benefit plans	-	-	-	(7.64)	(7.64)
Tax impact on above	-	-	-	2.64	2.64
Balance as at 31 March 2017	-	8,750.00	3,498.53	(9.84)	12,238.69
Profit for the year	-	-	6,692.36	-	6,692.36
Remeasurements of the defined benefit plans	-	-	-	(10.06)	(10.06)
Tax impact on above	-	-	-	3.48	3.48
Balance as at 31 March 2018	-	8,750.00	10,190.89	(16.42)	18,924.47

The accompanying notes form an integral part of the financial statements

1 to 38

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

For and on behalf of the Board of Directors

Glenn D'souza

Partner

Membership no. : 112554

Sumit Mukhija

Chief Executive Officer

Bruno Lopez

Director

DIN : 07554875

Tri Pham

Director

DIN : 06746192

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CFO

MUMBAI

DATED: 18 Jun 2018

MUMBAI

DATED: 18 Jun 2018

STT Global Data Centres India Private Limited

(formerly known as Tata Communications Data Centers Private Limited)

Cash Flow Statement

for the year ended 31 March 2018

Currency in Indian Rupees

Particulars	Year Ended 31 March 2018 ₹ in lakhs	Year Ended 31 March 2017 ₹ in lakhs
<u>CASH FLOW FROM OPERATING ACTIVITIES:</u>		
Profit before tax	10,395.15	5,418.46
Adjustments for:		
Depreciation and amortisation expense	13,231.79	11,523.86
Gain on disposal of property, plant and equipment and intangibles (net)	(32.32)	(57.61)
Finance costs	9,440.25	7,709.61
Gain on investments carried at fair value through profit or loss (net)	(875.45)	(385.95)
Allowance for doubtful trade receivables	474.01	284.13
Interest on fixed deposits	(6.56)	(41.33)
Operating profit before working capital changes	32,626.87	24,451.17
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(8,401.73)	(1,160.44)
Other financial assets	(1,505.24)	(907.76)
Other assets	654.47	(227.66)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	9,754.21	5,339.69
Other financial liabilities	(236.19)	925.26
Provisions	71.78	38.26
Other liabilities	(2,419.79)	3,941.75
Cash Generated from operations	30,544.38	32,400.27
Income tax paid (net)	(2,755.35)	(4,554.93)
Net Cash flow generated from operating activities (A)	27,789.03	27,845.34
<u>CASH FLOW FROM INVESTING ACTIVITIES:</u>		
Payments for purchase of property, plant and equipment and intangibles	(20,337.76)	(21,811.93)
Proceeds from disposal of property, plant and equipment and intangibles	41.66	143.27
Purchase of current investments (mutual funds)	(75,830.00)	(65,050.00)
Proceeds from sale of current investments (mutual funds)	69,711.75	57,888.65
(Increase)/ Decrease in Earmarked funds	2,292.34	(2,292.34)
Interest received on fixed deposits	6.56	41.33
Net Cash flow used in investing activities (B)	(24,115.45)	(31,081.02)
<u>CASH FLOW FROM FINANCING ACTIVITIES:</u>		
Proceeds from short term borrowings	-	3,822.00
Proceeds from long term borrowings (net of arrangement fees)	85,188.00	78,923.64
Repayment of long term borrowings	(80,600.00)	(35,000.00)
Repayment of short term borrowings	-	(36,222.00)
Finance cost paid	(7,993.90)	(7,641.07)
Net Cash flow (used in)/ generated from financing activities (C)	(3,405.90)	3,882.57
Net Increase in Cash and Cash Equivalents (A)+(B)+(C)	267.68	646.89
Cash and Cash Equivalents at the beginning of the year	1,338.23	691.34
Cash and Cash Equivalents at the end of the year (Refer note 10 Cash and cash equivalents)	1,605.91	1,338.23

Note: Figures in brackets represent outflows.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants

For and on behalf of the Board of Directors

Glenn D'souza
Partner
Membership No: 112554

Sumit Mukhija
Chief Executive Officer

Bruno Lopez
Director
DIN : 07554875

MUMBAI
DATED: 18 Jun 2018

Tri Pham
Director
DIN : 06746192

Bimal Khandelwal
CFO

MUMBAI
DATED: 18 Jun 2018

STT Global Data Centres India Private Limited

(formerly known as Tata Communications Data Centers Private Limited)

Notes forming part of the financial statements

for the year ended 31 March 2018

Currency in Indian Rupees

1. Corporate information

STT Global Data Centres India Private Limited (formerly known as Tata Communications Data Centers Private Limited) (“the Company”) was incorporated in India on 13 December 2007. The Company was originally incorporated with the name S & A Internet Services Private Limited which was changed to Tata Communications Data Centers Private Limited on 27 February 2014 and then to STT Global Data Centres India Private Limited on 11 April 2017 (vide SRN G39621719).

The Company is domiciled in India and its registered office is at Plot No. C21 & C36, ‘G’ Block, Bandra Kurla Complex Mumbai – 400098. Corporate identification number : U74999MH2007PTC176737

2. Significant accounting policies

a. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules as amended from time to time.

b. Basis of preparation of financial statements

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer 2(r) below). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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 financial statements are presented in Indian Rupees (“₹”) and all values are rounded to the nearest lakh (00,000), except when otherwise indicated.

c. Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

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

- it is expected to be realized in, or is intended for sale or consumption in the company’s normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within twelve months after the Balance sheet date; or
- it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the Balance sheet date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

STT Global Data Centres India Private Limited

(formerly known as Tata Communications Data Centers Private Limited)

Notes forming part of the financial statements (*Continued*)

for the year ended 31 March 2018

Currency in Indian Rupees

2. Significant accounting policies (*Continued*)

c. Current and non-current classification (*Continued*)

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the Balance sheet date; or
- the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the Balance sheet date. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the revised Schedule III to the Act.

Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

d. Significant accounting judgements, estimates and assumptions

The preparation of the Company's 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 financial statements:

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.

STT Global Data Centres India Private Limited

(formerly known as Tata Communications Data Centers Private Limited)

Notes forming part of the financial statements (*Continued*)

for the year ended 31 March 2018

Currency in Indian Rupees

2. Significant accounting policies (*Continued*)

d. Significant accounting judgements, estimates and assumptions (*Continued*)

Fair value measurement of financial instruments (*Continued*)

Further information about the assumptions made in measuring fair values is included in note 28 – Financial instruments.

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.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations 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.

Useful life of Property Plant and equipment and Intangible assets

The Company reviews the useful life of assets at the end of each reporting period. This reassessment may result in change in depreciation and amortization expense in future periods.

Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by 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. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions and contingent liabilities are reviewed at each balance sheet date.

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Notes forming part of the financial statements (*Continued*)

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Currency in Indian Rupees

2. Significant accounting policies (*Continued*)

d. Significant accounting judgements, estimates and assumptions (*Continued*)

Income taxes

Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

Deferred tax: Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the level of deferred tax assets recognized that can result in a charge or credit in the period in which the change occurs.

e. Cash and cash equivalents

Cash comprises cash on hand. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

f. Property, plant and equipment

- i. Property, plant and equipment are stated at cost of acquisition or construction, less accumulated depreciation/ amortisation and impairment loss, if any. Cost includes inward freight, duties, taxes and all incidental expenses incurred for making the asset ready for its intended use.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

- ii. Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date are carried at cost, comprising direct cost, directly attributable cost and attributable interest.

The depreciable amount for property, plant and equipment is the cost of the property, plant and equipment or other amount substituted for cost, less its estimated residual value (wherever applicable). Depreciation on property, plant and equipment has been provided on the straight-line method as per the estimated useful lives. The asset's residual values, estimated useful lives and methods of depreciation are reviewed at each financial year end and any change in estimate is accounted for on a prospective basis.

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Notes forming part of the financial statements (*Continued*)

for the year ended 31 March 2018

Currency in Indian Rupees

2. Significant accounting policies (*Continued*)

f. *Property, plant and equipment (Continued)*

Estimated useful lives of the assets are as follows:

Property, plant and equipment	Estimated Useful lives of Assets
i. Plant and machinery	
- Network equipment and components (Refer 1 below)	3 to 8 years
- Electrical equipment and installations*	10 years
- General plant and machinery*	15 years
ii. Office equipment - Integrated building management systems (Refer 1 below)	8 years
iii. Leasehold improvements	Asset life or lease period whichever is less
iv. Building	
- RCC structure*	60 years
- Temporary structures*	3 years
v. Furniture and fixtures*	10 years
vi. Office equipment*	5 years
vii. Computers	
- End user devices like laptops and desktop*	3 years
- Server and network*	6 years

* On the above categories of assets, the depreciation has been provided as per useful life prescribed in Schedule II to the Companies Act, 2013.

1. In these cases, the lives of the assets are other than the prescribed lives in Schedule II to the Companies Act, 2013. The lives of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc
2. Property, plant and equipment are derecognised from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the Statement of Profit and Loss in the year of occurrence.

g. *Intangible Assets*

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each financial period. Changes in the expected useful life are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

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Notes forming part of the financial statements (*Continued*)

for the year ended 31 March 2018

Currency in Indian Rupees

2. Significant accounting policies (*Continued*)

g. Intangible Assets (*Continued*)

Estimated useful lives of intangible assets are as follows:

Software and Application	3 to 6 years
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An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

h. Impairment of non- financial asset

The carrying values of assets / cash generating units (“CGU”) at each balance sheet date are reviewed for impairment, if any indication of impairment exists. The following intangible assets are tested for impairment at the end of each financial year even if there is no indication that the asset is impaired:

- i. an intangible asset that is not yet available for use; and
- ii. an intangible asset with indefinite useful lives.

If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at a revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and the value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

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. In determining fair value less costs of disposal, recent market transactions are taken into account.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the company as a CGU. These budgets and forecast calculations generally cover a significant period. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the significant period.

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Notes forming part of the financial statements (*Continued*)

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Currency in Indian Rupees

2. Significant accounting policies (*Continued*)

i. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Colocation services include the use of certain assets that are dedicated to the customers over the period of the service. These assets meet lease criteria as the conditions pertaining to specific assets and the right to use the specific assets as specified in the standard is met. The Company classifies these leases as either finance lease or operating lease depending on the tenure and terms of the individual agreements.

Lessee

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term since the payment to the lessor are structured in a manner that the increase is not expected to be in line with expected general inflation.

Lessor

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor are classified as operating leases.

Leases are classified as finance leases when substantially all of the risks and rewards incidental to ownership of an asset are transferred from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

Rental income and rental expenses on assets given or obtained under operating lease arrangements are recognised on a straight line basis over the term of the lease. The initial direct costs relating to operating leases are recorded as expenses as they are incurred.

j. Employee benefits

Employee benefits include contribution to provident fund, gratuity fund, compensated absences and performance incentives.

i. Short term employment benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employees render the service. These benefits include compensated absences such as paid annual leave and performance incentives payable within 12 months.

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Notes forming part of the financial statements (*Continued*)

for the year ended 31 March 2018

Currency in Indian Rupees

2. Significant accounting policies (*Continued*)

j. Employee benefits (*Continued*)

ii. Share based payment transactions

The Company applies the IND AS 102 on “Share based Payments” issued by the Institute of Chartered Accountants of India (‘ICAI’) to account for costs related to the Appreciation Unit Plan (AUP) units. The fair value of the amount payable to employees in respect of AUP, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the AUPs. Any changes in the liability are recognised in statement of profit or loss.

iii. Post-employment benefits

Contributions to defined contribution retirement benefit schemes are recognised as expenses when employees have rendered services entitling them to the contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if applicable), excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the period of plan amendment.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises changes in service costs comprising of current service costs, past-service costs, gains and losses on curtailments and non-routine settlements under employee benefit expenses in the Statement of Profit and Loss. The net interest expense or income is recognised as part of finance cost in the Statement of Profit and Loss.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

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Notes forming part of the financial statements (*Continued*)

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Currency in Indian Rupees

2. Significant accounting policies (*Continued*)

j. Employee benefits (*Continued*)

iv. Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

k. Revenue recognition

Income from operations consist of revenue from co-location and managed services.

- i. Revenues for colocation services are recognised over the period of the respective arrangements based on contracted fee schedules.
- ii. Revenues from long term contracts of co-location and managed service arrangements are recognised on a straight line basis over the period of the contracts.

Amounts received in advance for any services are recorded as deferred revenue.

l. Other Income

Other income comprises of interest income for all financial instruments measured at amortised cost. Interest income is recorded on accrual basis. Interest income is included in Other income in the Statement of Profit and Loss.

m. Taxation

Current Income tax

- i. Current tax expense is determined in accordance with the provisions of the Income Tax Act, 1961.
- ii. Provision for current income taxes and advance taxes paid in respect of the same jurisdiction are presented in the balance sheet after offsetting them on an assessment year basis.

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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Notes forming part of the financial statements (*Continued*)

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Currency in Indian Rupees

2. Significant accounting policies (*Continued*)

m. Taxation (*Continued*)

Deferred tax (*Continued*)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity) is recognised outside the Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

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

n. Fair value measurement

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

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 principal or the most advantageous market must be accessible by the Company.

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.

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: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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Notes forming part of the financial statements (*Continued*)

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Currency in Indian Rupees

2. Significant accounting policies (*Continued*)

n. Fair value measurement (*Continued*)

- Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

For assets and liabilities that are recognised in the balance sheet 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.

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.

o. Foreign currencies

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

Foreign currency transactions are converted into ₹ at rates of exchange approximating those prevailing at the transaction dates or at the average exchange rate for the month in which the transaction occurs. Foreign currency monetary assets and liabilities are outstanding as at the balance sheet date are translated to ₹ at the closing rates prevailing on the balance sheet date. Exchange differences on settlement of and restatement of foreign currency transactions are recognised in the Statement of Profit and Loss.

p. Borrowing costs

Borrowing costs include interest, amortisation of any fee paid to the lender at the time of availing the borrowing. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

q. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

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Notes forming part of the financial statements (*Continued*)

for the year ended 31 March 2018

Currency in Indian Rupees

2. Significant accounting policies (*Continued*)

r. Financial instruments

Non – derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A. Financial assets

i. Financial assets at amortised cost

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

ii. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

iii. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in Statement of Profit or Loss.

iv. 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

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Notes forming part of the financial statements (*Continued*)

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Currency in Indian Rupees

2. Significant accounting policies (*Continued*)

r. Financial instruments (*Continued*)

Non – derivative financial instruments (*Continued*)

A. Financial assets (*Continued*)

iv. Derecognition (*Continued*)

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at lower of the original carrying amount of the asset and maximum amount of consideration that the Company could be required to repay.

v. Impairment of financial assets

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

- Financial assets measured at amortised cost;
- Financial assets measured at Fair Value through Other Comprehensive Income;

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date)

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at reporting date.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default and is adjusted for forward looking estimates. At every reporting date, the historically observed rates are updated for changes, if any, in the forward-looking estimates.

For assessing expected credit loss on a collective basis, financial assets have been grouped on the basis of shared risk characteristics and basis of estimation may change during the course of time due to change in risk characteristics.

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Notes forming part of the financial statements (*Continued*)

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Currency in Indian Rupees

2. Significant accounting policies (*Continued*)

r. Financial instruments (*Continued*)

Non – derivative financial instruments (*Continued*)

B. Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

i. Subsequent measurement

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

I. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost on accrual basis.

II. 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 Statement of Profit and Loss.

ii. 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.

s. Recent accounting pronouncements

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 21 The effect of changes in Foreign Exchange rates

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective

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Notes forming part of the financial statements (*Continued*)

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Currency in Indian Rupees

2. Significant accounting policies (*Continued*)

s. Recent accounting pronouncements (*Continued*)

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The Company is currently in the process of evaluating impact of new standard and does not expect the impact of the adoption of the new standard to be material on its retained earnings and to its profit after tax on an ongoing basis.

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. Company is currently evaluating the impact of this amendment on its financial statements.

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Notes forming part of the financial statements (Continued)

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Currency in Indian Rupees

3. Property, plant and equipment

	(₹ in lakhs)						
	Leasehold Improvements	Building	Plant and Machinery	Furniture and Fixtures	Office Equipment	Computers	Total
Cost							
Balance at 1 April 2016	3,686.73	1,812.57	91,791.46	3,700.64	11,685.34	78.88	112,755.62
Additions	2,777.74	70.34	21,417.22	95.92	2,991.55	10.13	27,362.90
Disposals/write-offs	-	-	(521.83)	-	-	-	(521.83)
Transfers	73.87	-	(83.96)	(12.68)	-	-	(22.77)
Balance at 31 March 2017	6,538.34	1,882.91	112,602.89	3,783.88	14,676.89	89.01	139,573.92
Additions	2,639.63	25.34	9,527.37	64.56	1,927.09	11.60	14,195.59
Disposals/write-offs	-	-	(335.87)	(13.84)	(1.13)	(1.78)	(352.62)
Transfers	13.02	-	(58.73)	(28.40)	74.11	-	-
Balance at 31 March 2018	9,190.99	1,908.25	121,735.66	3,806.20	16,676.96	98.83	153,416.89
Accumulated Depreciation							
Balance at 1 April 2016	401.41	30.82	46,651.92	1,763.03	5,285.62	67.81	54,200.61
Depreciation for the year	476.47	30.47	8,858.91	356.66	1,736.56	6.94	11,466.01
On disposals/write-off	-	-	(461.28)	-	-	-	(461.28)
On transfers	2.09	-	(11.04)	(0.97)	-	-	(9.92)
Balance at 31 March 2017	879.97	61.29	55,038.51	2,118.72	7,022.18	74.75	65,195.42
Depreciation for the year	754.29	34.35	10,463.64	372.35	1,555.72	9.15	13,189.50
On disposals/write-off	-	-	(326.95)	(13.42)	(1.13)	(1.78)	(343.28)
On transfers	8.64	-	(45.88)	(20.37)	57.61	-	-
Balance at 31 March 2018	1,642.90	95.64	65,129.32	2,457.28	8,634.38	82.12	78,041.64
Carrying Amount							
Balance at 31 March 2017	5,658.37	1,821.62	57,564.38	1,665.16	7,654.71	14.26	74,378.50
Balance at 31 March 2018	7,548.09	1,812.61	56,606.34	1,348.92	8,042.58	16.71	75,375.25

- a. Fixed assets are subject to first charge to secure the loans availed from bank (Refer Note 14).

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Notes forming part of the financial statements (Continued)

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Currency in Indian Rupees

4. Other intangible assets

	(₹ in lakhs)	
	Computer Software	Total
Cost		
Balance at 1 April 2016	269.93	269.93
Additions	39.06	39.06
Disposals	(96.85)	(96.85)
Transfers/write-offs	22.77	22.77
Balance at 31 March 2017	234.91	234.91
Additions	1.41	1.41
Disposals	-	-
Transfers/write-offs	-	-
Balance at 31 March 2018	236.32	236.32
Accumulated amortisation		
Balance at 1 April 2016	117.98	117.98
Amortisation for the year	57.85	57.85
On disposals	(71.76)	(71.76)
On transfers	9.92	9.92
Balance at 31 March 2017	113.99	113.99
Amortisation for the year	42.29	42.29
On disposals	-	-
On transfers	-	-
Balance at 31 March 2018	156.28	156.28
Carrying Amount		
Balance at 31 March 2017	120.92	120.92
Balance at 31 March 2018	80.04	80.04

5. Other financial assets

	(₹ in lakhs)	
	As at 31 March 2018	As at 31 March 2017
Unsecured, considered good – at amortised cost		
Non-Current		
a. Security deposits		
- Payable to related parties (Refer Note 31)	562.90	-
- Others	41.99	108.82
	604.89	108.82

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for the year ended 31 March 2018

Currency in Indian Rupees

6. Deferred tax assets (net)

(₹ in lakhs)

Major components of deferred tax asset and liability consist of the following:				
	As at 1 April 2017	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at 31 March 2018
Deferred tax assets arising out of timing differences on:				
Difference between accounting and tax depreciation / amortization	1,104.80	404.49	-	1,509.29
Provision for doubtful and other trade receivables	394.75	169.47	-	564.22
Provision for leave encashment	46.03	(3.87)	-	42.16
Provision for gratuity	57.59	30.30	3.48	91.36
Provision for stamp duty	257.46	312.90	-	570.37
Provision for AUP/RSUP	-	74.88	-	74.88
Interest received u/s 143(1)	-	67.42	-	67.42
Expenditure disallowed u/s. 40 (a) (ia)	127.84	21.8	-	149.65
Others	4.07	0.04	-	4.11
Total deferred tax assets (A)	1,992.54	1,077.44	3.48	3,073.46
Deferred tax liability arising out of timing differences on:				
Fair valuation of investments	29.24	18.57	-	47.81
Others	5.09	34.16	-	39.25
Total deferred tax liabilities (B)	34.33	52.73	-	87.06
Deferred tax assets (net)	1,958.21	1,024.71	3.48	2,986.40

(₹ in lakhs)

Major components of deferred tax asset and liability consist of the following:				
	As at 1 April 2016	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at 31 March 2017
Deferred tax assets arising out of timing differences on:				
Difference between accounting and tax depreciation / amortization	1,299.14	(194.34)	-	1,104.80
Provision for doubtful trade receivables	296.42	98.33	-	394.75
Provision for leave encashment	41.63	4.40	-	46.03
Provision for gratuity	46.69	8.26	2.64	57.59
Provision for stamp duty	102.44	155.02	-	257.46
Expenditure disallowed u/s. 40 (a) (ia)	73.33	54.51	-	127.84
Others	3.91	0.16	-	4.07
Total deferred tax assets (A)	1,863.56	126.34	2.64	1,992.54
Deferred tax liability arising out of timing differences on:				
Fair valuation of investments	1.00	28.24	-	29.24
Others	-	5.09	-	5.09
Total deferred tax liabilities (B)	1.00	33.35	-	34.33
Deferred tax assets (net)	1,862.56	93.01	2.64	1,958.21

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Notes forming part of the financial statements (Continued)

for the year ended 31 March 2018

Currency in Indian Rupees

7. Other Assets

	(₹ in lakhs)	
	As at 31 March 2018	As at 31 March 2017
Unsecured, considered good		
A Non-Current (Refer note 14)		
a. Capital advances	4,221.23	86.71
b. Prepaid expenses	967.71	839.56
c. Balance with Government authorities	115.26	-
Total (A)	5,304.20	926.27
B Current (Refer note 14)		
a. Prepaid expenses	524.76	283.85
b. Indirect taxes recoverable	253.25	1,459.48
c. Advance to contractors and vendors	234.00	181.26
d. Others	19.74	5.06
Total (B)	1,031.75	1,929.65
Total (A) + (B)	6,335.95	2,855.92

8. Investments

	(₹ in lakhs)	
	As at 31 March 2018	As at 31 March 2017
Current (Refer note 14)		
Investments at fair value through profit or loss -Quoted Mutual Funds	17,693.89	10,700.18
Total	17,693.89	10,700.18

9. Trade receivables - Unsecured

	(₹ in lakhs)	
	As at 31 March 2018	As at 31 March 2017
Considered good	17,267.28	9,339.56
Doubtful	1,614.64	1,140.63
	18,881.92	10,480.19
Less: Allowance for doubtful debts (expected credit loss allowance (Refer note 29 (d)))	(1,614.64)	(1,140.63)
Total	17,267.28	9,339.56

- For receivables secured against borrowings refer Note 14
- For receivables from related parties refer Note 31

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Notes forming part of the financial statements (Continued)

for the year ended 31 March 2018

Currency in Indian Rupees

10. Cash and cash equivalents

		(₹ in lakhs)	
		As at 31 March 2018	As at 31 March 2017
a.	Balances with banks (Refer Note 14)	1,605.91	1,338.23
	Cash and cash equivalent as per Statement of cash flows	1,605.91	1,338.23

11. Bank balances other than cash and cash equivalents as above

		(₹ in lakhs)	
		As at 31 March 2018	As at 31 March 2017
a.	Restricted bank balance (Refer i below)	-	2,292.34
	Total	-	2,292.34

- i. Nil (2017: ₹ 2,292.34 lakhs held towards interest and principal payments equivalent to 3 months as at the balance sheet date in accordance to the provisions of the bank term loan facility availed by the Company).

12. Equity Share Capital

		(₹ in lakhs)	
		As at 31 March 2018	As at 31 March 2017
a.	Authorised:		
	15,00,00,000 (2017: 50,000) Equity shares of ₹10 each	15,000.00	5.00
b.	Issued, Subscribed and Paid up:		
	10,000 (2017: 10,000) Equity shares of ₹10 each fully paid up (Refer i below)	1.00	1.00

i. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

Equity shares	As at 31 March 2018		As at 31 March 2017	
	No of shares	₹ in lakhs	No of shares	₹ in lakhs
Opening Balance	10,000	1.00	10,000	1.00
Add: Issued during the year	-	-	-	-
Closing Balance	10,000	1.00	10,000	1.00

ii. Terms/ rights attached to equity shares:

The Company has only one class of equity shares with a face value of ₹10 per share. Each shareholder of equity shares is entitled to one vote per share at any general meeting of shareholders. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

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Notes forming part of the financial statements (Continued)

for the year ended 31 March 2018

Currency in Indian Rupees

12. Equity Share Capital (Continued)

iii. Shares held by holding company:

	As at 31 March 2018		As at 31 March 2017	
	No of shares	₹ in lakhs	No of shares	₹ in lakhs
STT India DC Pte. Ltd. (Holding Company w.e.f. 19 October 2016)	7,400	0.74	7,400	0.74
Tata Communications Limited (Holding Company upto 18 October 2016)	2,600	0.26	2,600	0.26

iv. Number of shares held by each shareholder holding more than 5% of the issued share capital:

	As at 31 March 2018		As at 31 March 2017	
	No of shares	Percentage	No of shares	Percentage
STT India DC Pte. Ltd. (Holding Company w.e.f. 19 October 2016)	7,400	74%	7,400	74%
Tata Communications Limited (Holding Company upto 18 October 2016)	2,600	26%	2,600	26%

13. Other Equity

	(₹ in lakhs)	
	As at 31 March 2018	As at 31 March 2017
a. General reserve (Refer i below)	8,750.00	8,750.00
b. Retained earnings	10,190.89	3,498.53
c. Other comprehensive income	(16.42)	(9.84)
Total	18,924.47	12,238.69

- i. General reserve: The general reserve is used from time to time to transfer profit from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to Statement of Profit and Loss.

14. Borrowings

	(₹ in lakhs)	
	As at 31 March 2018	As at 31 March 2017
Non – current financial liabilities		
Secured		
Rupee loan from Banks (net) (refer i below)	78,740.00	80,600.00
Less: Arrangement fees	(402.52)	(1,676.36)
Total (A)	78,337.48	78,923.64

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Notes forming part of the financial statements (*Continued*)

for the year ended 31 March 2018

Currency in Indian Rupees

14 Borrowings (*Continued*)

i. Secured bank loan

During the year, Company has availed a loan facility of ₹ 86,800 lakhs from consortium of banks and the previous loan of ₹ 80,600 lakhs has been repaid.

The loan has been secured in favour of the Security Trustee acting for the benefit of the Secured Parties by way of first pari passu charge by way of hypothecation of (the “Security”): (a) all the movable properties and assets (other than Insurance Contracts) of the Borrower (present and future), including, but not limited to, moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, both present and future; (b) all the Borrower’s accounts (present and future), including in each case, all monies lying credited/deposited into such accounts; (c) all the Borrower’s current assets, book debts operating cash flows, commissions, receivables, revenues of whatsoever nature and wherever arising, all investments and other securities (present and future).

The carrying amounts of assets pledged as security for borrowings are as follows:

(₹ in lakhs)	
Particulars	As at 31 March 2018
Non current assets	
Property, Plant and equipment	75,375.25
Capital work in progress	1,653.92
Other intangible assets	80.04
Other financial assets	604.89
Other tax assets (Net)\	3,603.56
Other non-current assets	5,304.20
Investments	17,693.89
Trade receivables	17,267.28
Cash and cash equivalents	1,605.91
Unbilled receivables	6,038.28
Other current assets	1,031.75

In the previous year, the loan was secured by a first ranking exclusive charge in favour of the Security Trustee (for the benefit of the Finance Parties) by the Borrower over: (a) All movable fixed assets of Borrower, including but not limited to: (i) cooling infrastructure, wiring, equipments, racks, computers, other electrical and electronical devices, power equipments, in each case located in the Data Center Facilities; and (ii) and other movable fixed assets used in the Business (“Movable Fixed Assets”); (b) the Account Assets; (c) the receivables; and (d) the Insurance Assets.

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Notes forming part of the financial statements (*Continued*)

for the year ended 31 March 2018

Currency in Indian Rupees

14 Borrowings (*Continued*)

i. Secured bank loan (*Continued*)

The repayment schedule of loan from bank is stated below:

(₹ in lakhs)

Date of Repayment	Amount of Repayment
FY 2018-19	6,448
FY 2019-20	6,448
FY 2020-21	7,068
FY 2021-22	7,068
FY 2022-23	7,068
FY 2023-24	7,068
FY 2024-25	7,192
FY 2025-26	7,192
FY 2026-27	8,804
FY 2027-28	10,416
FY 2028-29	10,416
	85,188

(₹ in lakhs)

	Interest Rate	Year of maturity	Carrying amount as at 31 March 2018
Secured Bank Loan	MCLR + 0.25%	2029	55,614.07
Secured Bank Loan	MCLR + 0.45%	2029	29,131.18
Total			84,745.25

Details of Covenant restrictions on bank loan

There is no financial covenant in the current loan facility.

In the previous year as on 30 September 2016, there was a breach in the debt service coverage ratio covenant. However, the Company obtained a waiver from the agent as regards this breach. Subsequent to 31 March 2017, the Non-current borrowing of ₹ 80,600 lakhs was refinanced. On the basis of the new covenant and its forecasts, management believes that the risk of the new covenant being breached is low.

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Notes forming part of the financial statements (Continued)

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Currency in Indian Rupees

15. Other financial liabilities

		(₹ in lakhs)	
		As at 31 March 2018	As at 31 March 2017
A	Non-current		
a.	Accrued payroll	-	26.34
b.	Cash settled incentive (Refer Note 25(iii))	39.70	-
	Total (A)	39.70	26.34
B	Current		
a.	Current maturity of long term borrowings (Refer Note 14)		
	Loan from Banks	6,448.00	-
	Less: Arrangement fees	(40.23)	-
	Total	6,407.77	-
b.	Payable for capital goods		
	- Payable to related parties (Refer Note 31)	-	6.73
	- Others	3,704.23	6,646.70
c.	Interest accrued on loan	212.74	-
d.	Accrued payroll	844.10	1,149.19
e.	Cash settled incentive (Refer Note 25(iii))	58.71	-
f.	Other payables	6.41	9.58
	Total	11,233.96	7,812.20

16. Provisions

		(₹ in lakhs)	
		As at 31 March 2018	As at 31 March 2017
A	Non-current		
	Provision for employee benefits (Refer note 25)		
	- Provision for compensated absences	108.20	130.53
	- Provision for gratuity	209.08	145.41
	Total (A)	317.28	275.94
B	Current		
	Provisions for employee benefits (Refer note 25)		
	- Provision for compensated absences	20.89	11.78
	- Provision for gratuity	44.75	13.37
	Total (B)	65.64	25.15
	Total (A) + (B)	382.92	301.09

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Notes forming part of the financial statements (Continued)

for the year ended 31 March 2018

Currency in Indian Rupees

17 Other liabilities

		(₹ in lakhs)	
		As at 31 March 2018	As at 31 March 2017
A	Non-current		
a.	Deferred revenue	2,826.23	3,278.88
b.	Others		
	- Lease equalisation liability (Refer Note 31)	245.79	559.68
	- Others	-	6.74
	Total (A)	3,072.02	3,845.30
B	Current		
a.	Deferred revenue		
	- Payable to related parties (Refer Note 31)	44.55	44.55
	- Others	1,661.99	3,322.25
b.	Statutory dues *	70.57	404.40
c.	Others		
	- Lease equalisation liability (Refer Note 31)	337.84	144.56
	- Others	417.89	263.63
	Total (B)	2,532.84	4,179.39
	Total (A) + (B)	5,604.86	8,024.69
*Statutory dues include			
i.	TDS payable	70.40	404.29
ii.	Professional Tax	0.17	0.11

18. Trade payables

		(₹ in lakhs)	
		As at 31 March 2018	As at 31 March 2017
	Current		
	Total outstanding dues of creditors		
a.	Total outstanding dues of micro enterprises and small enterprises (Refer note 34)	50.86	66.97
	(a)		
b.	Total outstanding dues of creditors other than micro enterprises and small enterprises	5,617.12	3,264.29
c.	Payable to related parties (Refer note 31)	13,053.00	5,635.52
	(b)	18,670.12	8,899.81
	Total (a + b)	18,720.98	8,966.78

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Notes forming part of the financial statements (Continued)

for the year ended 31 March 2018

Currency in Indian Rupees

19 Other income

		(₹ in lakhs)	
		For the year ended 31 March 2018	For the year ended 31 March 2017
a.	Interest Income		
	- Bank deposits (at amortised cost)	6.56	41.33
b.	Interest on income tax refund	333.60	65.58
c.	Gain on disposal of property, plant and equipment and intangibles (net)	32.32	57.61
d.	Gain on investments carried at fair value through profit or loss (net)	875.45	385.95
e.	Other non-operating income (net)		
	- Foreign exchange gain (net)	15.24	2.30
	- Miscellaneous income	274.35	37.16
	Total	1,537.52	589.93

20. Operating and other expenses

		(₹ in lakhs)	
		For the year ended 31 March, 2018	For the year ended 31 March, 2017
a.	Power and fuel	27,125.00	23,604.70
b.	Repairs and maintenance:		
	Buildings	440.33	44.94
	Plant and machinery	3,782.60	2,804.07
	Others	438.20	11.67
c.	Allowance for doubtful trade receivables	474.01	284.13
d.	Network and cable charges	524.70	535.30
e.	Rent	11,304.16	9,698.78
f.	Rates and taxes	1,698.90	889.53
g.	Travelling	203.10	84.73
h.	Outsource Services	1,779.66	2,184.60
i.	Legal and professional charges	822.69	427.20
j.	Commissions	600.00	6,052.88
k.	Insurance	299.01	181.90
l.	Security charges	1,338.83	-
m.	Water charges	368.38	0.16
n.	Director's Remuneration	231.76	4.62
o.	Corporate social responsibility expenditure (Refer i)	80.27	71.01
p.	Other expenses (Refer ii)	408.16	245.34
	Total	51,919.76	47,125.56

- i. As required by the Companies Act, 2013 and rules thereon, gross amount required to be spent by the Company during the year toward Corporate Social Responsibility (CSR) amount to ₹ 80.19 (2017: ₹ 70.93 lakhs). The Company has spent ₹ 80.27 lakhs (2017: ₹ 71.01 lakhs) during the year on CSR activities mainly for skill development training.

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Notes forming part of the financial statements (Continued)

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Currency in Indian Rupees

20. Operating and other expenses (Continued)

- ii. Other expenses include auditors' remuneration as follows (excluding taxes):

	(₹ in lakhs)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Auditors' remuneration and expenses		
Audit fees	17.00	15.00
Tax audit fees	3.00	3.50
Other professional services	12.00	7.91
For reimbursement of expenses	4.16	0.08

21. Employee benefits expense

	(₹ in lakhs)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
a. Salaries, bonus and related costs	2,942.21	2,445.41
b. Contribution to provident funds (Refer note 25)	95.61	55.22
c. Gratuity expense (Refer note 25)	79.27	12.27
d. Compensated absences	42.23	18.00
e. Share based payments		
- Cash settled incentive (Refer note 25)	98.41	-
f. Staff welfare expenses	125.68	47.34
Total	3,383.41	2,578.24

22. Finance costs

	(₹ in lakhs)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest costs:		
a. On loan from banks measured at amortised cost	9,175.05	3,895.07
b. On loan from Tata Communications Limited measured at amortised cost	-	3,696.72
c. Interest on tax	246.03	97.52
d. Others	19.17	20.30
Total	9,440.25	7,709.61

23. Depreciation and amortisation expense

	(₹ in lakhs)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation on property, plant and equipment assets (Refer note 3)	13,189.50	11,466.01
Amortisation of intangible assets (Refer note 4)	42.29	57.85
Total	13,231.79	11,523.86

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Notes forming part of the financial statements (Continued)

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Currency in Indian Rupees

24. Tax expense

- i. Income tax recognised in Statement of Profit and loss:

(₹ in lakhs)		
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current tax		
In respect of current year	4,740.43	2,353.71
In respect of prior years	(12.93)	(280.95)
Total Current tax (a)	4,727.50	2,072.76
Deferred tax		
In respect of the current year	(1,037.94)	(374.82)
In respect of the earlier years	13.23	281.81
Total deferred tax (b)	(1,024.71)	(93.01)
Total Income tax expense (a+b)	3,702.79	1,979.75

- ii. The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows :

(₹ in lakhs)		
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit before tax	10,395.15	5,418.46
Income tax expense calculated at 34.608% Tax rate (2017: 34.608% Tax rate)	3,597.55	1,875.22
Reasoning		
Effect of adjustments that are not deductible in determining taxable profit	133.76	103.67
Difference in tax rate	(28.84)	-
True up impact of prior years	0.32	0.86
Total	105.24	104.53
Income tax expense recognised in Statement of Profit and Loss	3,702.79	1,979.75

- iii. Income tax recognised in other comprehensive income

(₹ in lakhs)		
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Deferred tax		
Re-measurements of the defined benefit obligation	3.48	2.64
Total Income tax	3.48	2.64
Bifurcation of income taxes recognized in Other Comprehensive Income into:		
Items that will be reclassified to profit and loss	-	-
Items that will not be reclassified to profit and loss	3.48	2.64

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Notes forming part of the financial statements (*Continued*)

for the year ended 31 March 2018

Currency in Indian Rupees

25. Employee Benefits

i. Defined Contribution Plan - Provident Fund:

The Company makes contribution towards provident fund under a defined contribution retirement benefit plan for qualifying employees. The provident fund is administered by the Regional Provident Fund Commissioner. Under this scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits.

Provident fund contributions amounting to ₹ 95.61 lakhs (2017: ₹ 55.22 lakhs) have been charged to the Statement of Profit and Loss, under Contribution to provident, gratuity and other funds in note 21 "Employee benefits expense".

ii. Defined benefit obligation – Gratuity

The plan provides for lump sum payments to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The cost of providing benefits for defined benefit schemes is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date.

These plans typically expose the Company to actuarial risk such as interest rate risk and salary risk:

Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase
Salary risk	Higher than expected increases in salary will increase the defined benefit obligation
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee
Regulatory risk	Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

No other post-retirement benefits are provided to the employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March 2018 by an independent actuary.

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Notes forming part of the financial statements (Continued)

for the year ended 31 March 2018

Currency in Indian Rupees

25. Employee Benefits (Continued)

ii. Defined benefit obligation – Gratuity (Continued)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	As at 31 March 2018	As at 31 March 2017
Principal Actuarial assumptions		
Discount rate	7.50%	7.20%
Salary Escalation Rate	10%	10%
Withdrawal rate		
Less than 5 years	15%	15%
5 years and more	8%	8%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimates of future compensation cost considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

Amounts recognised in the Statement of Profit and Loss in respect of these defined benefit plans are as follows:

(₹ in lakhs)		
	Year ended March	
	2018	2017
I Expenses recognised in the Statement of Profit and Loss		
Current service cost	14.88	12.27
Past service cost – plan amendments	64.39	-
Interest cost	11.02	10.17
Components of defined benefit cost recognised in the Statement of Profit and Loss (Refer note 21 and 22)	90.29	22.44
	Year ended March	
	2018	2017
II Expenses recognised in the Other Comprehensive Income		
Actuarial changes arising from changes in Financial assumptions	(5.37)	7.51
Actuarial changes arising from experience adjustments	15.43	0.13
Components of defined benefit cost recognised in Other Comprehensive Income	10.06	7.64

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Notes forming part of the financial statements (Continued)

for the year ended 31 March 2018

Currency in Indian Rupees

25. Employee Benefits (Continued)

ii. Defined benefit obligation – Gratuity (Continued)

The details in respect of the unfunded amounts recognised in the balance sheet for these defined benefit schemes are as under:

(₹ in lakhs)		
Particulars	Gratuity (Unfunded)	
	As at 31 March 2018	As at 31 March 2017
III Amount recognised in the balance sheet		
Obligation at the end of the year	253.83	158.78
Net liability arising from defined benefit obligation	253.83	158.78
Non-current provision (Refer note 16A)	209.08	145.41
Current provision (Refer note 16B)	44.75	13.37
IV Change in the defined benefit obligation		
Opening defined benefit obligation	158.78	134.90
Current service cost	14.88	12.27
Interest cost	11.02	10.17
Past service cost – plan amendments	64.39	-
Liability transferred to other companies	6.20	6.10
Actuarial (gain) / loss on obligations- experience	15.43	0.13
Actuarial (gain) / loss on obligations– financial assumptions	(5.37)	7.51
Benefits paid	(11.50)	(12.30)
Closing defined benefit obligation	253.83	158.78

V A quantitative sensitivity analysis for significant assumption as at 31 March 2018 and 31 March 2017 is as shown below: (As per actuarial valuation report)

The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	As at 31 March 2018	As at 31 March 2017
Discount rate		
Increase (1%)	(16.53)	(10.54)
Decrease (1%)	18.77	11.97
Salary escalation rate		
Increase (1%)	10.69	5.67
Decrease (1%)	(10.75)	(5.85)
Withdrawal Rate		
Increase (5%)	0.19	2.95
Decrease (5%)	(2.88)	(6.90)

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Notes forming part of the financial statements (Continued)

for the year ended 31 March 2018

Currency in Indian Rupees

25. Employee Benefits (Continued)

ii. Defined benefit obligation – Gratuity (Continued)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(₹ in lakhs)

VI	Maturity profile of defined benefit plan	As at 31 March 2018
	March 31, 2019	46.40
	March 31, 2020	21.98
	March 31, 2021	22.43
	March 31, 2022	27.33
	March 31, 2023	29.60
	March 31, 2024 to March 31, 2028	193.45
	Total expected payments	341.19
II	Leave plan and compensated absences	
	Leave unavailed of by eligible employees may be carried forward / encashed by them / their nominees in the event of death or permanent disablement or resignation, subject to a maximum leave of 60 days in addition to accumulated leave balance available in accumulated quota.	
	The liability for compensated absences as at the year end is ₹ 129.09 lakhs (2017: ₹ 142.31 lakhs) as shown under non-current provisions ₹ 108.20 (2017: ₹ 130.53 lakhs) and current provisions ₹ 20.89 lakhs (2017: ₹ 11.78 lakhs). The amount charged to the Statement of Profit and Loss is ₹ 50.08 lakhs (2017: ₹ 26.91 lakhs)	

iii. Share based payments

a. Description of cash settled payment arrangement

During the year, the Board of Directors of the Company approved a Long Term Incentives Scheme to its high performing employees in the form of Cash-settled Appreciation Unit Plan (AUP), whereby the eligible employees will be granted certain AUP units.

The AUP Units granted were equally divided into four tranches and each tranche can be encashed over a seven year period subject to the terms of the encashment conditions of the scheme.

On the 'event of Exercise' subject to the express provisions of the scheme, each eligible employee shall, subject to deduction of taxes at appropriate rates, be paid an amount equivalent to the difference between the Fair Value determined as of the relevant valuation date prior to encashment and the Initial Value, subject to a minimum of NIL.

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Notes forming part of the financial statements (Continued)

for the year ended 31 March 2018

Currency in Indian Rupees

25. Employee Benefits (Continued)

iii. Share based payments (Continued)

a. Description of cash settled payment arrangement (Continued)

The final value of an AUP shall be the Initial Value adjusted with the cumulative Total Shareholder's Return (TSR) % after taking into account the dividends paid and adjustments of net new equity, if any. Being an unlisted company, the TSR calculation has been done on the basis of Net Operating Profit After Tax (NOPAT) Improvement Valuation Model.

b. Measurement of fair values

The key assumptions used to estimate the fair value of options using Black - Scholes pricing model:	For the year ended 31 March 2018
Initial Value at Grant date	₹ 100 for each grant
Exercise price	Initial Value adjusted with the cumulative TSR% taking into account dividends paid and adjusted for any net new equity
Vesting period - Options shall vest in four tranches	1st Tranche: 1 April 2018 2nd Tranche: 1 April 2019 3rd Tranche: 1 April 2020 4th Tranche: 1 April 2021
Expected time to exercise option (Range)	(15 days encashment window of 1st to 15th September annually)
Expected Volatility	24.51%
Expected Dividend	NIL
Risk- free rate over vesting period(Range)	7.51%
Fair Value of each AUP as on grant date	44.00
Fair Value of each AUP as on 31 Mar 2018	54.47

c. Reconciliation of outstanding AUP Units

	For the year ended 31 March 2018	
	Number of options	Weighted average exercise price (₹)
Outstanding at beginning of the year	-	-
Granted during the year	431,100	113.78
Forfeited during the year	9,100	113.78
Exercised during the year	-	-
Outstanding at the end of the year	422,000	113.78

d. Expense recognised in statement of profit and loss

For details on the employee benefits expense refer note 21

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Notes forming part of the financial statements (Continued)

for the year ended 31 March 2018

Currency in Indian Rupees

26. Earnings per share

	(₹ in lakhs)	
	As at 31 March 2018	As at 31 March 2017
Net profit after tax attributable to the equity shareholders (A)	6,692.36	3,438.71
Number of equity shares outstanding at the end of the year	10,000	10,000
Weighted average number of shares outstanding during the year (B)	10,000	10,000
Basic and diluted earnings per share (₹ per equity share of ₹ 10 each) (A/B)	66,923.60	34,387.17

27. Segment reporting

The Board of directors of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The Company is engaged in providing data center colocation services, manage hosting and infrastructure services. Considering the nature of the Company's business and operations, there are no other reportable segments (business and/or geographical) and is also considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards.

Information about major customers: -

(₹ in lakhs)	
Name	For the Year Ended 31 March, 2018
Customer A	24,364.55
Customer C	8,139.40
Customer B	8,042.48

(₹ in lakhs)	
Name	For the Year Ended 31 March, 2017
Customer A	14,125.79
Customer C	7,123.74
Customer B	4,373.34

28. Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(r) to the financial statements.

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Notes forming part of the financial statements (Continued)

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Currency in Indian Rupees

28. Financial Instruments: (Continued)

Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2018 is as follows:

(₹ in lakhs)

	Fair value through Profit or loss	Fair value through Other Comprehensive Income	Amortised cost	Total Carrying value
Financial Assets:				
Investments	17,693.89	-	-	17,693.89
Other financial assets	-	-	604.89	604.89
Trade receivables	-	-	17,267.28	17,267.28
Cash and cash equivalents	-	-	1,605.91	1,605.91
Unbilled receivables	-	-	6,038.28	6,038.28
Total	17,693.89	-	25,516.36	43,210.25
Financials Liabilities:				
Borrowings	-	-	84,745.25	84,745.25
Other financial liabilities	-	-	4,865.89	4,865.89
Trade payables	-	-	18,720.98	18,720.98
Total	-	-	108,332.12	108,332.12

The carrying value of financial instruments by categories as at 31 March 2017 is as follows:

(₹ in lakhs)

	Fair value through Profit or loss	Fair value through Other Comprehensive Income	Amortised cost	Total Carrying value
Financial Assets:				
Investments	10,700.18	-	-	10,700.18
Other financial assets	-	-	108.82	108.82
Trade receivables	-	-	9,339.56	9,339.56
Cash and cash equivalents	-	-	1,338.23	1,338.23
Unbilled receivables	-	-	5,029.11	5,029.11
Other bank balances	-	-	2,292.34	2,292.34
Total	10,700.18	-	18,108.06	28,808.24
Financials Liabilities:				
Borrowings	-	-	78,923.64	78,923.64
Other financial liabilities	-	-	7,812.20	7,812.20
Trade payables	-	-	8,966.78	8,966.78
Total	-	-	95,702.62	95,702.62

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Notes forming part of the financial statements (*Continued*)

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Currency in Indian Rupees

28. Financial Instruments: (*Continued*)

Carrying amounts of cash and cash equivalents, trade receivables and trade payables as at 31 March 2018 and 31 March 2017 approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of following three levels:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required):

As at 31 March 2018:

(₹ in lakhs)				
	Level 1	Level 2	Level 3	Total
Financial Assets				
i. Mutual funds	17,693.89	-	-	17,693.89
Total	17,693.89	-	-	17,693.89

As at 31 March 2017:

(₹ in lakhs)				
	Level 1	Level 2	Level 3	Total
Financial Assets				
i. Mutual funds	10,700.18	-	-	10,700.18
Total	10,700.18	-	-	10,700.18

There are no financial liabilities measured at fair value at the end of each reporting period.

29. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, current investments and cash and cash equivalents that derive directly from its operations. The Company has investments in mutual funds on which gain or loss on fair value is recognised through profit or loss.

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Notes forming part of the financial statements (*Continued*)

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Currency in Indian Rupees

29. Financial risk management objectives and policies (*Continued*)

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 ensures that 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. The senior management reviews and agrees policies for managing each of these risks, which are summarised below.

a) 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. Financial instruments affected by market risk include loans and borrowings, deposits, fair value through profit or loss investments,

The sensitivity analysis in the following sections relate to the position as at 31 March 2018 and 31 March 2017.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post- retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018 and 31 March 2017.

b) Interest Rate Risk

Interest rate risk is the risk that the future cash flows with respect to interest payments on borrowings will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The following table sets forth information relating to interest rate exposure (net) as at 31 March 2018 and 31 March 2017.

	(₹ in lakhs)	
	As at 31 March 2018	As at 31 March 2017
Financial liabilities – Borrowings	85,188.00	80,600.00

1% increase/ decrease in the interest rate would result in decrease/ increase in the Company's profit before tax by approximately ₹ 851.88 lakhs and ₹ 806.00 lakhs and equity by approximately ₹ 557.06 lakhs and ₹ 527.06 lakhs for the year ended 31 March 2018 and 31 March 2017 respectively.

c) 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's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency)

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Currency in Indian Rupees

29. Financial risk management objectives and policies (*Continued*)

c) Foreign currency risk (*Continued*)

The Company's objective is to try and protect the underlying values of the functional currency of respective group company's balance sheet exposures. All exposures in currency other than functional currency are treated as 'Forex Exposures' irrespective of the group company from where the exposures originate. Exposures are broadly categorized into receivables and payable exposures.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rate shift of all the currencies by 5% against the functional currency of the Company.

The following analysis has been worked out based on the net exposures of the Company as of the date of balance sheet which would affect the statement of Profit and Loss and equity.

The following tables sets forth information relating to foreign currency exposure (net) as at 31 March 2018 and 31 March 2017.

Currency	As at 31 March 2018		As at 31 March 2017	
	Financial liabilities	Financial Assets	Financial liabilities	Financial Assets
USD	-	1,344.96	-	239.90
ZAR	-	-	4.28	-
SGD	6.46	-	57.43	-
Others	25.16	10.86	0.72	5.96

5% appreciation/ depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/ increase in the Company's profit before tax by approximately ₹ 66.21 lakhs and ₹ 9.17 lakhs and equity by approximately ₹ 43.07 lakhs and ₹ 6 lakhs for the year ended 31 March 2018 and 31 March 2017 respectively.

d) 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) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

In determining the allowances for doubtful trade and unbilled receivables, the Company has used a simplified approach by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

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Currency in Indian Rupees

29. Financial risk management objectives and policies (Continued)

d) Credit risk (Continued)

Ageing of receivables

	As at 31 March 2018	As at 31 March 2017
Within Credit period	6,369.04	3,494.08
0-90 days	5,180.90	3,638.90
91-180 days	2,965.33	960.76
181-360 days	1,731.28	782.34
More than 360 days	1,020.73	463.48
Total Trade receivables	17,267.28	9,339.56
Unbilled receivables	6,038.28	5,029.11

Movement in expected credit loss allowance

	Year ended 31 March 2018	Year ended 31 March 2017
Opening balance	1,140.63	856.50
Movement in expected credit loss calculated at lifetime expected credit loss	474.01	284.13
Balance at the end of the year	1,614.64	1,140.63

e) Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, finance leases and hire purchase contracts.

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. The company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

Year ended 31 March 2018	On demand	0 to 12 months	1 to 5 years	>5 years	Total
Borrowings	-	6,448	34,720.00	44,020.00	85,188.00
Non-Current Financial Liabilities	-	-	-	39.70	39.70
Current Financial Liabilities	2,490.17	2,336.02	-	-	4,826.19
Trade Payables	1,498.59	17,222.39	-	-	18,720.98

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Currency in Indian Rupees

29. Financial risk management objectives and policies (Continued)

e) Liquidity risk (Continued)

(₹ in lakhs)

Year ended 31 March 2017	On demand	0 to 12 months	1 to 5 years	>5 years	Total
Borrowings		-	48,360.00	32,240.00	80,600.00
Non-Current financial liabilities	-	-	26.34	-	26.34
Current Financial Liabilities	4,030.49	3,781.71	-	-	7,812.20
Trade Payables	1,673.53	7,293.25	-	-	8,966.78

The amounts disclosed in the maturity analysis does not exactly match with the carrying amounts in the balance sheet because the amounts included in the liquidity analysis are undiscounted cash flows whereas the amount disclosed in the balance sheet are at amortised cost, i.e. net off Arrangement Fees.

30. Capital Management:

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, loans and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

The capital structure is as follows:

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Total equity attributable to the equity shareholders of the Company	18,925.47	12,239.69
As percentage of total capital	18.26%	13.43%
Current loans and borrowings	6407.77	-
Non-current loans and borrowings	78,337.48	78,923.64
Total loans and borrowings	84,745.25	78,923.64
As a percentage of total capital	81.74%	86.57%
Total capital (loans and borrowings and equity)	103,670.72	91,163.33

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31. Related Party Transactions

i. Names of related parties and nature of relationship

Sr No	Category of related parties	Names
A	Holding Company	STT India DC Pte. Ltd. (w.e.f 19 October 2016) Tata Communications Limited (upto 18 October 2016)
B	Investing Company, its subsidiaries and joint ventures (w.e.f 19 October 2016)	Tata Communications Limited Tata Communications (Australia) Pty Limited Tata Communications (America) Inc. Tata Communications (Hong Kong) Limited Tata Communications (Canada) Limited Tata Communications International Pte Limited Tata Communications Services International Pte Limited Tata Communications Payment Solutions Limited Tata Communications Transformation Services Limited Tata Communications (UK) Limited Tata Communications (Ireland) Limited Tata Communications (Middle East) FZ – LLC Tata Communications (France) SAS Smart ICT Services Private Limited
C	Tata Sons Limited, its subsidiaries and joint ventures (upto 18 October 2016)	Tata Sons Limited APTOOnline Limited (formerly APOnline Limited) MP Online Limited Tata AIA Life Insurance Company Limited Tata AIG General Insurance Company Limited Tata Autocomp Systems Limited Tata Consultancy Services Limited Tata Interactive Systems GmbH Tata Sky Limited Tata Consultancy Services (South Africa) (Pty) Ltd. Infiniti Retail Limited Tata Capital Limited Landmark E-tail Limited (w.e.f. 12 June 2015) Tata Teleservices Limited Tata AutoComp GY Batteries Private Limited (formerly Tata AutoComp GY Batteries Limited)
D	Key Managerial Personnel	Mr. Sumit Mukhija - CEO Mr. Ah Doo Lim - Director Mr. Bruno Lopez - Director Mr. Hemant Hansraj Luthara - Director Mr. Tat Hiang Sio - Director Mr. Tri Luu Pham - Director Mr. Stephen Geoffrey Miller - Director Mrs. Prathiba Khnadelwal Advani – Director

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Currency in Indian Rupees

31. Related Party Transactions (Continued)

ii. Summary of transactions and balances with related parties

(₹ in lakhs)

Particulars	Holding Company	Investing Company, its subsidiaries and associates	Tata Sons Limited, its subsidiaries and joint ventures	Key Management Personnel**	Total
<u>Transactions</u>					
Revenue from operations	- 3,745.48	8,996.19 4,000.79	- 1,611.11	- -	8,996.19 9,357.38
Other income	- -	63.03 31.86	- -	- -	63.03 31.86
Outsource services	- 1,121.17	1,536.10 764.55	- -	- -	1,536.10 1,885.72
Commission	- 3,638.61	600.00 2,414.27	- -	- -	600.00 6,052.88
Rent	- 4,240.44	10,352.19 4,601.16	- -	- -	10,352.19 8,841.60
Network and cable charges	- 229.13	383.83 173.28	- -	- -	383.83 402.41
Other Expenses	1.04 16.57	322.72 30.52	- 23.99	- -	323.76 71.08
Salaries and related costs	- -	- -	- 2.02	404.54 59.60 (w.e.f. 19 th oct'16)	404.54 61.62
Director's remuneration	- -	- -	- -	231.76 4.62	231.76 4.62
Brand equity	- -	123.91 77.44	- 98.46	- -	123.91 175.90
Finance costs	- 3,585.82	- 110.92	- -	- -	- 3,696.74
Loan taken	- 3,822.00	- -	- -	- -	- 3,822.00
Loan Repaid	- -	- 36,222.00	- -	- -	- 36,222.00
Redemption of Debentures	- 1,100.00	- 33,900.00	- -	- -	- 35,000.00
Sale of property, plant and equipment*	- -	30.38 30.38	- -	- -	30.38 30.38

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Notes forming part of the financial statements (*Continued*)

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Currency in Indian Rupees

31. Related Party Transactions (*Continued*)

ii. Summary of transactions and balances with related parties (*Continued*)

(₹ in lakhs)

Particulars	Holding Company	Investing Company, its subsidiaries and associates***	Tata Sons Limited, its subsidiaries and joint ventures	Key Management Personnel**	Total
Balances					
Receivables	-	1,232.23	-	-	1,232.23
	-	408.11	-	-	408.11
Payables	-	13,058.07	-	176.58	13,229.31
	-	5,648.97	-	-	5,648.97
Other current liability	-	44.55	-	-	44.55
	-	44.55	-	-	44.55
Other current assets – Prepaid Expenses	-	229.63	-	-	229.63
	-	-	-	-	-
Lease equalization liability – current	-	337.84	-	-	337.84
	-	144.56	-	-	144.56
Lease equalization liability – non current	-	245.79	-	-	245.79
	-	559.68	-	-	559.68

Note: Previous year's figures are in italics

* Figure are inclusive of VAT & Swachh Bharat Cess (SBC)

**Remuneration does not include charge for gratuity and leave encashment as employee-wise break up is not available.

*** Reimbursement made of expenses incurred by related party for business purpose of the Company, or reimbursement received for expenses incurred by the Company on behalf of a related party shall not be deemed related party transactions

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Currency in Indian Rupees

31. Related Party Transactions (*Continued*)

iii. Statement of significant transaction

(₹ in lakhs)		
Name of the Company	For the year ended 31 March 2018	For the year ended 31 March 2017
Holding company (upto 18 October 2016)		
Tata communication limited		
Revenue from operations	-	3,745.48
Rent	-	4,240.44
Outsource services	-	1,121.17
Commission	-	3,638.61
Network and cable charges	-	229.13
Other expenses	-	16.57
Finance cost	-	3,585.82
Loan taken	-	3,822.00
Redemption of debentures	-	1,100.00
Investing Company, its subsidiaries and associates (from 19 October 2016)		
Tata communication limited		
Revenue from operations	8,042.48	3,357.21
Rent	10,352.19	4601.16
Outsource services	1,536.10	764.55
Commission	600.00	2,414.27
Network and cable charges	383.83	173.28
Other expenses	58.36	30.52
Brand equity	123.91	77.44
Finance cost	-	110.92
Other income	63.03	31.86
Sale of property, plant and equipment	-	30.38
Trade payable	13,039.51	5,636.24
Lease equalisation liability - Current	337.84	144.56
Lease equalisation liability – Non current	245.79	559.68
Loan repaid	-	36,222.00
Redemption of debentures	-	33,900.00
Tata Communications Transformation Services Limited		
Revenue from operations	13.43	11.68
Other expenses	264.35	-
Other current assets – Prepaid expenses	229.63	-
Trade receivable	31.12	16.76
Trade payable	5.00	0.08
Other current liability	5.81	5.81

STT Global Data Centres India Private Limited

(formerly known as Tata Communications Data Centers Private Limited)

Notes forming part of the financial statements (Continued)

for the year ended 31 March 2018

Currency in Indian Rupees

31. Related Party Transactions (Continued)

iii. Statement of significant transaction (Continued)

(₹ in lakhs)

Name of the Company	For the year ended 31 March 2018	For the year ended 31 March 2017
Tata Communications (America) Inc.		
Revenue from operations	367.87	177.39
Trade receivable	498.90	130.60
Tata Communications (UK) Limited		
Revenue from operations	290.63	159.28
Trade receivable	412.67	124.51
Tata Communications Payment Solutions Limited		
Revenue from operations	165.98	191.48
Trade receivable	101.59	68.02
Other current liability	38.74	38.74
Tata Sons Limited, its subsidiaries and joint ventures(upto 18 October 2016)		
Tata Sons limited		
Brand equity	-	98.46
Tata Consultancy Services Limited		
Revenue from operations	-	955.94
Tata Sky limited		
Revenue from operations	-	346.01
Tata Teleservices Limited		
Revenue from operations	-	192.22
Tata AIA Life Insurance Company Limited		
Revenue from operations	-	93.09

STT Global Data Centres India Private Limited

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Notes forming part of the financial statements (*Continued*)

for the year ended 31 March 2018

Currency in Indian Rupees

31. Related Party Transactions (*Continued*)

iv. Key management personnel compensation

(₹ in lakhs)

	Year Ended 31 March 2018	Year Ended 31 March 2017*
Short-term employee benefits	350.47	56.78
Post-employment benefit	9.07	2.82
Share based payments – cash settled incentive	45.00	-
* w.e.f. 19 th Oct'2016	404.54	59.60

- v. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

32. Operating lease arrangements

Operating lease payments represent rentals payable by the Company for certain buildings to set up internet data centers/colocation services

a. As lessee:

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Minimum lease payments under operating leases recognised as expense in the year	10,114.70	8,633.27

At the balance sheet date, minimum lease payments under non-cancellable operating leases fall due as follows:

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Due not later than one year	10,452.54	10,114.70
Due later than one year but not later than five years	5,797.46	15,686.39
Later than five years	-	-
	16,250.00	25,801.09

b. As lessor:

The Company has leased certain facilities under non-cancellable operating lease arrangements to its customers. Future lease income in respect of these leases will be recognised in the Statement of Profit and Loss of subsequent years as follows:

STT Global Data Centres India Private Limited

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Notes forming part of the financial statements (Continued)

for the year ended 31 March 2018

Currency in Indian Rupees

32 Operating lease arrangements (Continued)

b. As lessor: (Continued)

	As at 31 March 2018	As at 31 March 2017
Due not later than one year	8,319.08	8,649.10
Due later than one year but not later than five years	21,281.72	27,384.96
Later than five years	-	-
	29,600.80	36,034.06

33. Contingent liabilities and commitments:

i. Contingent liabilities

	As at 31 March 2018	As at 31 March 2017
Claims against the Company not acknowledged as debt (refer 1 below)	35.58	525.06
Other claims (refer 2 below)	440.26	115.26

1. Claims against the Company not acknowledged as debt include income tax claims.
2. Other Claims include stamp duty and penalty on stamp duty on various properties.

ii. Capital commitments:

Estimated amount of contracts remaining to be executed on capital account, not provided for amount to ₹ 58,251.13 lakhs (2017: ₹ 7,977.42 lakhs)

34. Micro and small enterprises

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management:

	As at 31 March 2018	As at 31 March 2017
a. Principal amount remaining unpaid to any supplier as at the end of the accounting year	11.67	37.71
b. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.20	0.40
c. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	1,816.86	668.19
d. The amount of interest due and payable for the year	0.20	0.40
e. The amount of interest accrued and remaining unpaid at the end of the accounting year	0.10	0.40
f. 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	-	-
g. Total outstanding dues of micro and small enterprises*	50.36	66.97

* Includes principal amount of ₹ 38.49 lakhs (2017: ₹ 28.86 lakhs) remaining unpaid to supplier prior to scheduled date

STT Global Data Centres India Private Limited

(formerly known as Tata Communications Data Centers Private Limited)

Notes forming part of the financial statements (*Continued*)

for the year ended 31 March 2018

Currency in Indian Rupees

35. Events after the reporting period

Increase in Authorized Share Capital:

The Company vide its Extra Ordinary General Meeting dated 22 February, 2018 approved the increase in Authorized Capital from ₹ 5,00,000 (Rupees Five Lakh only) divided into 50,000 (Fifty Thousand) equity shares of face value of ₹ 10/- (Rupees Ten only) each to ₹ 150,00,00,000 (Rupees One Hundred and Fifty Crore only) divided into 15,00,00,000 (Fifteen Crores) equity shares of face value of ₹ 10/- (Rupees Ten only) each by the creation of 14,99,50,000 (Fourteen Crore Ninety Nine Lakh Fifty Thousand) new equity shares of ₹10/- (Rupees Ten only) each.

Approval for Right Issue of Shares:

Vide its Board Meeting dated 20 March, 2018, the Company approved the Right Issue of 500 equity shares of ₹ 10/- each at a premium of ₹ 26,92,878 (Rupees Twenty Six Lakh Ninety Two Thousand Eight Hundred and Seventy Eight only) aggregating to ₹ 1,34,64,44,000 (Rupees One Hundred Thirty Four Crore Sixty Four Lakh Forty Four Thousand only) to the existing members of the Company, as on 20 March 2018, on right basis in the proportion to their existing equity holdings in the paid up share capital of the Company.

Offer Letters were issued to the shareholders on 26 March 2018 and the Right Issue amount of ₹ 99,63,68,560 (Rupees Ninety Nine Crores Sixty Three Lakh Sixty Eight Thousand Five Hundred and Sixty Only) and ₹ 35,00,75,440 (Rupees Thirty Five Crore Seventy Five Lakh Four Hundred and Forty only) from STT India DC Pte. Limited and Tata Communications Limited have already been received from on 5 April, 2018 and 18 April, 2018 respectively. The Board of Directors by way of a circular resolution on 25 April 2018 approved the allotment of equity shares and the shares were allotted on the same day

- 36.** Cash-settled RSU instruments will be granted to directors as 50% fees towards compensation with respect to their appointments and attendance for the board and committee meetings for the financial year FY18 (including services rendered for the period 19 October 2016 to 31 March 2017)/.The remaining 50% fees including travel allowances to be settled in cash.

As at 31 March 2018 RSUs, are not yet granted to the directors and when granted will be treated as fully vested from the date of grant considering that the director fees for the year have already been earned. Directors to retain 50% of each year's RSU grant for 4 years counting from the start date of the financial year to which the grant relates. 100% of the directors fees are accrued as these are earned as at 31 March 2018.

37. Approval of financial statements

The financial statements were approved for issue by the board of directors on 18 Jun 2018.

STT Global Data Centres India Private Limited

(formerly known as Tata Communications Data Centers Private Limited)

Notes forming part of the financial statements (*Continued*)

for the year ended 31 March 2018

Currency in Indian Rupees

- 38.** Previous period figures have been audited by a firm of Chartered Accountants other than B S R & Co. LLP.

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Glenn D'souza
Partner

Sumit Mukhija
Chief Executive Officer

Bruno Lopez
Director
DIN: 07554875

Tri Pham
Director
DIN: 06746192

Bimal Khandelwal
CFO

MUMBAI

MUMBAI

Dated: 18 June 2018

Dated: 18 June 2018