TATA COMMUNICATIONS SUBSIDIARY AND ASSOCIATE FINANCIAL STATEMENTS 2018-19

Sr. No.	Name of Subsidiary Company	Page No.
1	Tata Communications International Pte. Ltd.	**2**
2	Tata Communications Lanka Limited	**13**
3	Tata Communications (Netherlands) B.V.	**22**
4	Tata Communications (America) Inc.	**32**
5	Tata Communications (Australia) Pty Ltd	**42**
6	Tata Communications (Beijing) Technology Limited	**51**
7	Tata Communications (Belgium) SPRL	**58**
8	Tata Communications (Bermuda) Ltd	**66**
9	Tata Communications (Canada) Ltd	**75**
10	Tata Communications (France) SAS	**85**
11	Tata Communications (Guam) L.L.C.	**94**
12	Tata Communications (Hong Kong) Limited	**101**
13	Tata Communications (Hungary) LLC	**111**
14	Tata Communications (Ireland) DAC	**119**
15	Tata Communications (Italy) S.R.L.	**127**
16	Tata Communications (Japan) K.K.	**135**
17	Tata Communications (Malaysia) SDN. BHD.	**144**
18	Tata Communications (Middle East) FZ-LLC	**153**
19	Tata Communications (Nordic) AS	**162**
20	Tata Communications (Poland) SP Z.O.O.	**170**
21	Tata Communications (Portugal) Instalacao E Manutencao De Redes LDA	**178**
22	Tata Communications (Portugal) Unipessoal LDA	**187**
23	Tata Communications (Russia) LLC	**193**
24	Tata Communications (Spain), S.L.	**201**
25	Tata Communications (Sweden) AB	**210**
26	Tata Communications (Switzerland) GmbH	**218**
27	Tata Communications (Taiwan) Ltd	**225**
28	Tata Communications (Thailand) Limited	**233**
29	Tata Communications (UK) Limited	**241**
30	Tata Communications Deutschland GmBH	**251**
31	Tata Communications Services (Bermuda) Ltd	**260**
32	Tata Communications Services (International) Pte. Ltd.	**269**
33	Tata Communications (New Zealand) Limited	**283**
34	ITXC IP Holdings S.A.R.L	**291**
35	SEPCO Communications (Pty) Limited	**299**
36	TCPoP Communications GmbH	**305**
37	Tata Communications Payment Solutions Limited	**312**
38	Tata Communications Transformation Services Limited	**358**
39	Tata Communications Collaboration Services Private Limited	**456**
40	VSNL SNOSPV Pte. Ltd.	**489**
41	Tata Communications South Korea Ltd	**496**
42	Nexus Connexion (SA) Pty Ltd.	**504**
43	Tata Communications Transformation Services (Hungary) Kft.	**509**
44	Tata Communications Transformation Services Pte. Limited	**514**
45	Tata Communications (Brazil) Participacoes Limitada	**520**
46	Tata Communications Transformation Services (US) Inc.	**526**
47	Tata Communications Comunicacoes E Multimidia (Brazil) Limitada	**531**
48	Tata Communications Transformation Services South Africa (Pty) Ltd	**538**
49	Tata Communications MOVE B.V.	**543**
50	Tata Communications MOVE Nederland B.V.	**550**
51	Tata Communications MOVE UK Limited	**558**
52	Tata Communications MOVE Singapore Pte. Ltd.	**564**
53	MuCoso B.V	**570**
54	NetFoundry Inc.	**-**
	Name of Associate Company	
55	United Telecom Limited	**576**
56	Smart ICT Services Private Limited	**583**
57	STT Tai Seng Pte. Limited	**590**
58	STT Global Data Centers India Private Limited	**644**

Suresh Surana & Associates LLP
Chartered Accountants

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 International Pte. Ltd.** ("the subsidiary") registered in Singapore as at 31 March 2019 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

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Place Mumbai
Date: 06 MAY 2019

Tata Communications International Pte. Ltd.

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**47,986,230**	**3,321,606,841**	51,099,596	3,330,671,667
	Capital work-in-progress		**416,533**	**28,832,414**	3,020,732	196,891,312
	Other intangible assets	2	**1,433,936**	**99,257,050**	557,144	36,314,646
	Intangible assets under development		**136,178**	**9,426,241**	-	-
	Investments in subsidiaries & associates	3	**207,936,703**	**14,393,378,582**	218,516,888	14,242,930,759
	Financial assets					
	(i) Investments -others	4	**1,166,470**	**80,743,053**	376,004	24,507,941
	(ii) Loans	5	**57,842,443**	**4,003,853,904**	3,341,282	217,784,761
	(iii) Other financial assets	6	**135,239**	**9,361,244**	143,209	9,334,363
	Non current tax asset		-	-	96,061	6,261,256
	Other non-current assets	7	**5,316,513**	**368,009,030**	6,140,881	400,262,624
			322,370,245	**22,314,468,359**	283,291,797	18,464,959,329
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	8	**26,363,187**	**1,824,859,804**	27,488,618	1,791,708,121
	(ii) Cash and cash equivalent	9	**2,307,526**	**159,726,950**	2,229,983	145,350,292
	(iii) Other financial assets	10	**3,085,225**	**213,559,240**	2,527,691	164,754,899
	Other current assets	11	**6,294,858**	**435,730,070**	5,185,602	337,997,539
			38,050,796	**2,633,876,064**	37,431,894	2,439,810,851
	TOTAL ASSETS		**360,421,041**	**24,948,344,423**	320,723,691	20,904,770,180
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	12	**423,149,234**	**29,290,389,977**	423,149,234	27,580,867,072
	Other equity	13	**(369,156,313)**	**(25,552,999,952)**	(343,343,326)	(22,379,117,988)
	Total Equity		**53,992,922**	**3,737,390,025**	79,805,908	5,201,749,084
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Borrowings	14	**13,921,704**	**963,660,351**	27,771,541	1,810,149,042
	(ii) Other financial liabilities	15	**33,594,996**	**2,325,445,623**	33,558,026	2,187,312,135
	Provisions	16	**11,074,165**	**766,553,702**	11,174,661	728,364,404
	Deferred tax liabilities (Net)		-	-	386,528	25,193,895
	Other non current liabilities (Deferred revenue)		**44,721,636**	**3,095,631,644**	50,697,973	3,304,493,880
			103,312,501	**7,151,291,320**	123,588,729	8,055,513,356
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	17	**134,318,318**	**9,297,513,972**	55,112,354	3,592,223,233
	(ii) Trade payables	18	**32,280,494**	**2,234,455,795**	27,464,821	1,790,157,033
	(iii) Other financial liabilities	19	**14,538,096**	**1,006,327,005**	16,174,825	1,054,275,094
	Other current liabilities	20	**21,259,596**	**1,471,589,235**	17,530,145	1,142,614,851
	Provisions	21	**643,928**	**44,572,696**	600,911	39,167,379
	Current tax liabilities (Net)		**75,186**	**5,204,375**	445,998	29,070,150
			203,115,618	**14,059,663,078**	117,329,054	7,647,507,740
	TOTAL EQUITY AND LIABILITIES		**360,421,041**	**24,948,344,423**	320,723,691	20,904,770,180

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

Tata Communications International Pte. Ltd.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	22	**148,377,818**	**10,270,712,562**	153,031,932	9,974,621,328
ii	Other Income	23	**3,884,369**	**268,876,023**	12,654,331	824,809,295
iii	**Total income (i + ii)**		**152,262,187**	**10,539,588,585**	165,686,263	10,799,430,623
iv	**Expenses:**					
	Network and transmission expenses	24	**70,084,203**	**4,851,228,532**	83,953,905	5,472,115,528
	Employee benefits expenses	25	**30,407,127**	**2,104,781,331**	29,614,999	1,930,305,634
	Operating and other expenses	26	**37,462,690**	**2,593,167,367**	37,462,015	2,441,774,139
	Finance costs	27	**5,821,793**	**402,984,512**	4,927,840	321,196,611
	Depreciation and amortisation expenses		**11,353,803**	**785,910,244**	11,930,467	777,627,839
	Total expenses		**155,129,616**	**10,738,071,986**	167,889,226	10,943,019,751
v	**Profit / (loss) before exceptional items and taxes (iii - iv)**		**(2,867,429)**	**(198,483,401)**	(2,202,963)	(143,589,128)
vi	**Exceptional items (income / expenses):**					
	Staff cost optimisation		**(317,613)**	**(21,985,172)**	(383,081)	(24,969,220)
	Impairment of investment		**(22,399,602)**	**(1,550,500,450)**	(14,769,397)	(962,669,296)
vii	**Profit / (loss) before taxes**		**(25,584,644)**	**(1,770,969,023)**	(17,355,441)	(1,131,227,644)
viiii	**Tax expenses**					
	(i) Current tax expense/(benefit)		**528,095**	**36,554,736**	445,998	29,070,150
	(ii) Deferred tax expense/(benefit)		**(386,528)**	**(26,755,468)**	386,528	25,193,895
	Net tax expenses		**141,567**	**9,799,268**	832,526	54,264,045
ix	**Profit / (loss) for the year (vii-viii)**		**(25,726,211)**	**(1,780,768,291)**	(18,187,967)	(1,185,491,689)

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Tata Communications International Pte. Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	**INR**	USD	INR
Gross block:				
Lease hold improvement	**7,420,039**	**513,615,100**	7,306,612	476,244,970
Cables	**86,089,855**	**5,959,139,763**	82,857,955	5,400,681,507
Plant and machinery	**59,703,357**	**4,132,666,372**	59,450,618	3,874,991,281
Furniture and fixtures	**992,976**	**68,733,799**	901,057	58,730,895
Computers	**2,440,202**	**168,910,782**	2,449,516	159,659,453
Office equipment	**340,608**	**23,576,886**	479,398	31,247,162
(a)	**156,987,037**	**10,866,642,702**	153,445,156	10,001,555,268
Accumulated depreciation:				
Lease hold improvement	**4,504,539**	**311,804,190**	3,567,233	232,512,247
Cables	**59,199,517**	**4,097,790,567**	54,099,723	3,526,219,945
Plant and machinery	**42,686,576**	**2,954,764,791**	42,098,954	2,744,009,822
Furniture and fixtures	**335,506**	**23,223,725**	171,352	11,168,723
Computers	**2,160,624**	**149,558,393**	2,066,320	134,682,738
Office equipment	**114,045**	**7,894,195**	341,978	22,290,126
(b)	**109,000,807**	**7,545,035,861**	102,345,560	6,670,883,601
Net block (a) - (b)	**47,986,230**	**3,321,606,841**	51,099,596	3,330,671,667

2 Other intangible assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	**INR**	USD	INR
Gross block:				
Computer software	**4,022,876**	**278,463,477**	2,787,964	181,719,494
(a)	**4,022,876**	**278,463,477**	2,787,964	181,719,494
Accumulated amortisation:				
Computer software	**2,588,940**	**179,206,427**	2,230,820	145,404,848
(b)	**2,588,940**	**179,206,427**	2,230,820	145,404,848
Net block (a) - (b)	**1,433,936**	**99,257,050**	557,144	36,314,646

3 Investments in subsidiaries & associates

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	**INR**	USD	INR
Investments in subsidiaries	**214,496,075**	**14,847,418,312**	203,885,074	13,289,229,123
Impairment of investment in subsidiaries	**(18,645,064)**	**(1,290,611,330)**	(18,645,064)	(1,215,285,272)
Investments in associates	**33,276,878**	**2,303,425,495**	33,276,878	2,168,986,908
Impairment of investment in associates	**(21,191,186)**	**(1,466,853,895)**	-	-
Total	**207,936,703**	**14,393,378,582**	218,516,888	14,242,930,759

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

4 Financial asset - Investment others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Investments - others	1,371,432	94,930,523	494,190	32,211,304
Impairment of investment - others	(204,962)	(14,187,470)	(118,186)	(7,703,363)
Total	**1,166,470**	**80,743,053**	376,004	24,507,941

5 Non-current assets - financial assets - loans

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans given	65,798,192	4,554,550,850	10,088,615	657,575,926
Allowances for loan receivables	(7,955,749)	(550,696,946)	(6,747,333)	(439,791,165)
Total	**57,842,443**	**4,003,853,904**	3,341,282	217,784,761

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Vendor deposits	135,239	9,361,244	143,209	9,334,363
Total	**135,239**	**9,361,244**	143,209	9,334,363

7 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	5,316,513	368,009,030	6,140,881	400,262,624
Total	**5,316,513**	**368,009,030**	6,140,881	400,262,624

8 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	29,668,682	2,053,666,168	27,415,907	1,786,968,818
Intercompany receivables	-	-	1,792,830	116,856,659
Provision for doubtful debts	(3,305,495)	(228,806,364)	(1,720,119)	(112,117,356)
Total	**26,363,187**	**1,824,859,804**	27,488,618	1,791,708,121

9 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Cash in hand	-	-	8,009	522,027
Balance with bank	2,307,526	159,726,950	2,221,974	144,828,265
Total	**2,307,526**	**159,726,950**	2,229,983	145,350,292

10 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Security Deposit	87	5,988	245	15,969
Advances to employees	319,002	22,081,318	787,283	51,315,106
Forward Premium	441,897	30,588,110	109,677	7,148,747
Interest Receivable	1,717,053	118,854,409	1,531,628	99,831,513
Others	607,186	42,029,415	98,858	6,443,564
Total	**3,085,225**	**213,559,240**	2,527,691	164,754,899

11 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	945	65,413	14,164	923,210
Other Advances	419	29,003	-	-
Prepaid expenses	5,942,765	411,358,193	4,618,392	301,026,791
Indirect tax receivable	349,073	24,162,833	553,046	36,047,538
Others	1,656	114,628	-	-
Total	**6,294,858**	**435,730,070**	5,185,602	337,997,539

12 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	423,149,234	29,290,389,977	423,149,234	27,580,867,072
Total	**423,149,234**	**29,290,389,977**	423,149,234	27,580,867,072

13 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(343,225,140)**	**(23,758,044,191)**	(325,037,173)	(21,185,922,936)
Profit / (loss) for the year	**(25,726,211)**	**(1,780,768,291)**	(18,187,967)	(1,185,491,689)
Closing balance	**(368,951,351)**	**(25,538,812,482)**	(343,225,140)	(22,371,414,625)
Reserves and Surplus - Other Comprehensive Income	**(118,186)**	**(8,180,835)**	-	-
OCI Investment	**(86,776)**	**(6,006,635)**	(118,186)	(7,703,363)
Total	**(369,156,313)**	**(25,552,999,952)**	(343,343,326)	(22,379,117,988)

14 Non-current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Loan from banks	**13,921,704**	**963,660,351**	27,771,541	1,810,149,042
Total	**13,921,704**	**963,660,351**	27,771,541	1,810,149,042

15 Non-current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Dividend payable	**33,461,000**	**2,316,170,420**	33,461,000	2,180,987,980
Lease equalisation	**133,996**	**9,275,203**	97,026	6,324,155
Total	**33,594,996**	**2,325,445,623**	33,558,026	2,187,312,135

16 Non-current liabilities - provisions

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Asset retirement obligation and others	**9,915,135**	**686,325,645**	9,748,577	635,412,249
Retention liability	**1,159,030**	**80,228,057**	1,426,084	92,952,155
Total	**11,074,165**	**766,553,702**	11,174,661	728,364,404

17 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Loan from bank	**134,318,318**	**9,297,513,972**	43,333,752	2,824,493,955
Inter company loans taken	-	-	11,778,602	767,729,278
Total	**134,318,318**	**9,297,513,972**	55,112,354	3,592,223,233

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

18 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	30,879,825	2,137,501,487	27,464,821	1,790,157,033
Inter Company - Payables	1,400,669	96,954,308	-	-
Total	32,280,494	2,234,455,795	27,464,821	1,790,157,033

19 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Current portion of long term loans	13,849,836	958,685,648	15,112,898	985,058,692
Deposit from customers and contractors	362,683	25,104,917	288,446	18,800,910
Interest accrued but not due	321,953	22,285,587	224,381	14,625,154
Others	3,624	250,853	549,100	35,790,338
Total	14,538,096	1,006,327,005	16,174,825	1,054,275,094

20 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	14,284,892	988,800,224	11,448,536	746,215,576
Other Employee dues	6,974,704	482,789,011	6,065,917	395,376,470
Others	-	-	15,692	1,022,805
Total	21,259,596	1,471,589,235	17,530,145	1,142,614,851

21 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	643,928	44,572,696	600,911	39,167,379
Total	643,928	44,572,696	600,911	39,167,379

22 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	**148,377,818**	**10,270,712,562**	153,031,932	9,974,621,328
Total	**148,377,818**	**10,270,712,562**	153,031,932	9,974,621,328

23 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Guarantee commission income	-	-	6,751,032	440,032,266
Interest income - others	**44**	**3,046**	639,814	41,703,077
Interest on loan to subsidiaries	**2,981,875**	**206,405,388**	2,525,605	164,618,934
Profit on sale of fixed assets	**2**	**138**	1	65
Miscellaneous income	**902,448**	**62,467,451**	2,737,879	178,454,953
Total	**3,884,369**	**268,876,023**	12,654,331	824,809,295

24 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	**70,071,603**	**4,850,356,360**	83,903,505	5,468,830,456
Rent of satellite channels	**12,600**	**872,172**	50,400	3,285,072
Total	**70,084,203**	**4,851,228,532**	83,953,905	5,472,115,528

25 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	**28,609,571**	**1,980,354,505**	28,247,074	1,841,144,283
Contribution to provident and other funds	**1,180,345**	**81,703,481**	1,139,063	74,244,126
Staff welfare expenses	**617,211**	**42,723,345**	228,862	14,917,225
Total	**30,407,127**	**2,104,781,331**	29,614,999	1,930,305,634

26 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	729,066	50,465,949	1,166,537	76,034,882
Auditors remuneration	51,535	3,567,253	57,757	3,764,601
Communication expenses	337,378	23,353,305	243,703	15,884,562
CSR expenses	30,831	2,134,122	26,435	1,723,033
Directors fees	47,180	3,265,800	39,303	2,561,770
Donations	3,671	254,107	-	-
Electricity	1,564,086	108,266,033	1,477,109	96,277,965
Entertainment expenses	64,805	4,485,802	56,849	3,705,418
Exchange loss -Net	18,174	1,258,004	71,847	4,682,987
Insurance expenses	119,860	8,296,709	60,480	3,942,086
IT consumables	22,573	1,562,503	37,058	2,415,440
Legal and professional fees	2,038,265	141,088,703	1,601,669	104,396,785
Loss on sale of fixed asset	4,865	336,755	-	-
Miscellaneous expenses	6,068,809	420,082,924	6,845,583	446,195,102
Printing and stationery	36,996	2,560,863	59,586	3,883,815
Provision for doubtful debts	1,585,376	109,739,727	183,078	11,933,024
Rates and Taxes	352,297	24,385,998	1,066,095	69,488,072
Recruitment expenses	520,322	36,016,689	797,739	51,996,628
Relocation Expense	81,808	5,662,750	49,127	3,202,098
Rent	2,312,669	160,082,948	2,407,945	156,949,855
Repairs and Maintenance - Plant & Machinery	15,987,163	1,106,631,423	16,505,838	1,075,850,521
Repairs and Maintenance -Building	18,128	1,254,820	6,415	418,130
Seminars, trainings and conferences	881,826	61,039,996	205,446	13,390,970
Services rendered by agencies	2,096,037	145,087,681	2,106,295	137,288,308
Bad debts written off	(3,000)	(207,660)	499,290	32,543,722
Travelling and conveyance expenses	2,491,970	172,494,163	1,890,831	123,244,365
Total	37,462,690	2,593,167,367	37,462,015	2,441,774,139

27 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	5,808,677	402,076,622	4,927,840	321,196,611
Guarantee fees	13,116	907,890	-	-
Total	5,821,793	402,984,512	4,927,840	321,196,611

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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 * MUMBAI * Chartered Accountants

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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: 06 MAY 2019

Tata Communications Lanka Limited

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**828,999**	**57,383,311**	1,070,681	69,786,994
	Capital work-in-progress		**1,164**	**80,572**	-	-
	Other intangible assets	2	**360,379**	**24,945,434**	459,136	29,926,514
	Other non-current assets	3	**682**	**47,208**	174,634	11,382,665
			1,191,224	**82,456,525**	1,704,452	111,096,174
(2)	**Current assets**					
	Inventories	4	**93,353**	**6,461,895**	118,369	7,715,298
	Financial assets					
	(i) Trade receivables	5	**1,878,145**	**130,005,197**	2,386,903	155,578,345
	(ii) Cash and cash equivalent	6	**8,679,765**	**600,813,333**	5,805,533	378,404,625
	(iii) Other financial assets	7	**120,109**	**8,313,945**	166,316	10,840,460
	Other current assets	8	**509,653**	**35,278,181**	1,097,469	71,532,999
			11,281,025	**780,872,551**	9,574,589	624,071,727
	TOTAL ASSETS		**12,472,249**	**863,329,076**	11,279,041	735,167,901
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	9	**1,197,348**	**82,880,429**	1,197,348	78,043,127
	Other equity	10	**9,421,944**	**652,186,964**	7,594,069	494,981,442
	Total Equity		**10,619,292**	**735,067,392**	8,791,417	573,024,569
(2)	**Non-current liabilities**					
	Provisions	11	-	-	27,026	1,761,536
	Deferred tax liabilities (Net)		**119,482**	**8,270,544**	175,379	11,431,219
			119,482	**8,270,544**	202,405	13,192,755
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	12	**1,180,716**	**81,729,162**	1,321,276	86,120,737
	(ii) Other financial liabilities	13	**12,676**	**877,433**	687	44,783
	Other current liabilities	14	**272,595**	**18,869,026**	922,444	60,124,910
	Provisions	15	**18,774**	**1,299,536**	40,812	2,660,148
	Current tax liabilities (Net)		**248,714**	**17,215,983**		
			1,733,475	**119,991,140**	2,285,219	148,950,578
	TOTAL EQUITY AND LIABILITIES		**12,472,249**	**863,329,076**	11,279,041	735,167,901

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

Tata Communications Lanka Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
i	Revenue from telecommunications services	16	**12,001,596**	**830,750,475**	11,389,673	742,378,877
ii	Other Income	17	**344,584**	**23,852,104**	566,963	36,954,650
iii	**Total income (i + ii)**		**12,346,180**	**854,602,580**	11,956,636	779,333,527
iv	**Expenses:**					
	(i) Network and transmission expenses	18	**6,645,568**	**460,006,217**	6,304,676	410,938,760
	(ii) Employee benefits expenses	19	**518,456**	**35,887,524**	680,176	44,333,888
	(iii) Operating and other expenses	20	**1,448,776**	**100,284,275**	1,586,213	103,389,336
	(iv) Depreciation and amortisation expenses		**454,551**	**31,464,020**	363,823	23,713,972.06
	Total expenses		**9,067,351**	**627,642,036**	8,934,887	582,375,956
v	**Profit / (loss) before taxes (iii-iv)**		**3,278,829**	**226,960,543**	3,021,749	196,957,571
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		**566,657**	**39,223,998**	76,220	4,968,046
	(ii) Deferred tax expense/(benefit)		**(55,897)**	**(3,869,190)**	-	-
	Net tax expenses		**510,760**	**35,354,807**	76,220	4,968,046
vii	**Profit / (loss) for the year (v-vi)**		**2,768,069**	**191,605,736**	2,945,528	191,989,525

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**3,352,799**	**232,080,747**	3,252,014	211,966,267
Furniture and fixtures	**97,064**	**6,718,770**	94,840	6,181,684
Computers	**228,344**	**15,805,972**	224,440	14,628,967
Office equipment	**43,790**	**3,031,144**	41,884	2,730,005
(a)	**3,721,997**	**257,636,632**	3,613,178	235,506,922
Accumulated depreciation:				
Plant and machinery	**2,605,167**	**180,329,660**	2,296,767	149,703,262
Furniture and fixtures	**61,392**	**4,249,554**	50,761	3,308,585
Computers	**191,553**	**13,259,299**	164,646	10,731,600
Office equipment	**34,886**	**2,414,809**	30,323	1,976,481
(b)	**2,892,998**	**200,253,322**	2,542,497	165,719,928
Net block (a) - (b)	**828,999**	**57,383,311**	1,070,681	69,786,994

2 Other intangible assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Computer software	**16,436**	**1,137,700**	16,436	1,071,328
License Fees	**823,656**	**57,013,468**	823,656	53,685,892
(a)	**840,092**	**58,151,168**	840,092	54,757,219
Accumulated amortisation:				
Computer software	**16,436**	**1,137,700**	15,805	1,030,174
License Fees	**463,277**	**32,068,034**	365,151	23,800,531
(b)	**479,713**	**33205733.86**	380,956	24,830,705
Net block (a) - (b)	**360,379**	**24,945,434**	459,136	29,926,514

3 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Advance Income tax Paid	-	-	174,033	11,343,468
Capital Advances	**682**	**47,208**	601	39,197
Total	**682**	**47,208**	174,634	11,382,665

4 Inventories

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Stores and spares(Consumables)	**93,353**	**6,461,895**	118,369	7,715,298
Total	**93,353**	**6,461,895**	118,369	7,715,298

5 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	**892,338**	**61,767,636**	1,285,205	83,769,642
Intercompany receivables	**1,039,057**	**71,923,526**	1,181,897	77,036,016
Provision for doubtful debts	**(53,250)**	**(3,685,965)**	(80,198)	(5,227,313)
Total	**1,878,145**	**130,005,197**	2,386,903	155,578,345

6 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Cash in hand	-	-	50,558	3,295,370
Balance with bank	**8,679,765**	**600,813,333**	5,754,975	375,109,254
Total	**8,679,765**	**600,813,333**	5,805,533	378,404,625

7 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Security Deposit	**43,620**	**3,019,376**	43,708	2,848,872
Interest Receivable	**76,489**	**5,294,569**	122,608	7,991,587
Total	**120,109**	**8,313,945**	166,316	10,840,460

8 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	**4,767**	**329,972**	4,767	310,698
Prepaid expenses	**16,961**	**1,174,040**	96,301	6,276,925
Indirect Tax receivable	**487,925**	**33,774,169**	996,400	64,945,376
Total	**509,653**	**35,278,181**	1,097,469	71,532,999

9 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	**1,197,348**	**82,880,429**	1,197,348	78,043,127
Total	**1,197,348**	**82,880,429**	1,197,348	78,043,127

10 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**7,594,069**	**525,661,456**	12,068,803	786,644,606
Profit / (loss) for the year	**2,768,069**	**191,605,736**	2,945,528	191,989,525
Closing balance	**10,362,138**	**717,267,192**	15,014,332	978,634,131
Dividend	**(940,194)**	**(65,080,229)**	(7,420,262)	(483,652,690)
Total	**9,421,944**	**652,186,964**	7,594,069	494,981,442

11 Non-current liabilities - provisions

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Asset retirement obligation and others	-	-	27,026	1,761,536
Total	-	-	27,026	1,761,536

12 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade Payables	**1,180,716**	**81,729,162**	1,321,276	86,120,737
Total	**1,180,716**	**81,729,162**	1,321,276	86,120,737

13 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Others	**12,676**	**877,433**	687	44,783
Total	**12,676**	**877,433**	687	44,783

14 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	**66,648**	**4,613,375**	101,388	6,608,494
Accrued Payroll	**63,310**	**4,382,318**	87,495	5,702,919
Other Statutory dues	**130,736**	**9,049,546**	723,115	47,132,664
Others	**11,901**	**823,787**	10,445	680,833
Total	**272,595**	**18,869,026**	922,444	60,124,910

15 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	**18,774**	**1,299,536**	40,812	2,660,148
Provision for Gratuity Funded	-	-	-	-
Total	**18,774**	**1,299,536**	40,812	2,660,148

16 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	**12,001,596**	**830,750,475**	11,389,673	742,378,877
Total	**12,001,596**	**830,750,475**	11,389,673	742,378,877

17 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest income - others	**301,145**	**20,845,257**	323,421	21,080,557
Provision for Doubtful Debts write back	**26,948**	**1,865,341**	122,247	7,968,042
Exchange (Gain)/Loss -Net	-	-	16,082	1,048,205
Miscellaneous income	**16,491**	**1,141,507**	105,214	6,857,846
Total	**344,584**	**23,852,104**	566,963	36,954,650

18 Network costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	**6,645,568**	**460,006,217**	6,304,676	410,938,760
Total	**6,645,568**	**460,006,217**	6,304,676	410,938,760

19 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	**430,856**	**29,823,852**	563,479	36,727,582
Contribution to provident and other funds	**41,702**	**2,886,612**	79,471	5,179,913
Staff welfare expenses	**45,898**	**3,177,060**	37,226	2,426,393
Total	**518,456**	**35,887,524**	680,176	44,333,888

20 Other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	**24,681**	**1,708,419**	30,779	2,006,193
Auditors remuneration	**3,226**	**223,304**	4,321	281,653
Bad debts Written off	**(23,068)**	**(1,596,767)**	93,263	6,078,854
Communication expenses	**7,603**	**526,280**	11,237	732,456
CSR expenses	**-**	**-**	168	10,965
Directors fees	**2,609**	**180,595**	2,296	149,634
Donations	**(16)**	**(1,108)**	-	-
Electricity	**59,155**	**4,094,709**	69,584	4,535,502
Entertainment expenses	**376**	**26,027**	858	55,918
Exchange (Gain)/Loss -Net	**81,645**	**5,651,467**	-	-
Insurance expenses	**3,216**	**222,612**	4,419	288,019
Legal and professional fees	**34,648**	**2,398,335**	9,801	638,816
Loss on sale of fixed assets	**320**	**22,150**	-	-
Miscellaneous expenses	**22,215**	**1,537,722**	26,589	1,733,059
Printing and stationery	**3,921**	**271,412**	1,191	77,648
Rates and Taxes	**-**	**-**	794	51,771
Rent	**103,190**	**7,142,812**	98,739	6,435,798
Repairs and Maintenance - Plant & Machinery	**1,000,293**	**69,240,281**	1,075,293	70,087,570
Repairs and Maintenance -Building	**905**	**62,644**	976	63,624
Seminars, trainings and conferences	**1,442**	**99,815**	9,952	648,669
Services rendered by agencies	**73,476**	**5,086,009**	86,027	5,607,238
Travelling and conveyance expenses	**48,939**	**3,387,558**	59,926	3,905,951
Total	**1,448,776**	**100,284,275**	1,586,213	103,389,336

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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: 06 MAY 2019

Tata Communications (Netherlands) BV

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**2,475,183**	**171,332,167**	2,934,637	191,279,641
	Capital work-in-progress		**597,163**	**41,335,623**	107,976	7,037,876
	Other intangible assets	2	**1,287,879**	**89,146,984**	3,440	224,219
	Intangible assets under development		**152,447**	**10,552,381**	-	-
	Investments in subsidiaries & associates	3	**321,493,991**	**22,253,814,057**	283,345,099	18,468,433,553
	Financial assets					
	(i) Loans	4	**656,851,933**	**45,467,290,802**	699,935,068	45,621,767,732
	(ii) Other financial assets	5	**458**	**31,703**	2,474,068	161,259,752
	Deferred tax assets (Net)		**142,281**	**9,848,691**	39,452	2,571,481
	Non current tax asset		**2,990,701**	**207,016,323**	3,970,181	258,776,398
	Other non-current assets	6	**2,451,786**	**169,712,627**	3,425,117	223,249,126
			988,443,822	**68,420,081,358**	996,235,038	64,934,599,778
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	7	**41,729,519**	**2,888,517,305**	14,058,282	916,318,821
	(ii) Cash and cash equivalent	8	**3,634,921**	**251,609,232**	2,648,913	172,656,149
	(iii) Other financial assets	9	**17,144,626**	**1,186,751,011**	18,395,812	1,199,039,027
	Other current assets	10	**2,327,532**	**161,111,765**	2,158,755	140,707,651
			64,836,598	**4,487,989,313**	37,261,762	2,428,721,648
	TOTAL ASSETS		**1,053,280,420**	**72,908,070,671**	1,033,496,800	67,363,321,426
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	11	**179,800,561**	**12,445,794,832**	179,800,561	11,719,400,566
	Other equity	12	**(70,450,871)**	**(4,876,609,292)**	(70,142,377)	(4,571,880,131)
	Total Equity		**109,349,690**	**7,569,185,540**	109,658,184	7,147,520,435
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Borrowings	13	**855,000,000**	**59,183,100,000**	732,500,000	47,744,350,000
	(ii) Other financial liabilities	14	**1,521,921**	**105,347,372**	-	-
	Other non current liabilities (Deferred revenue)		**262,181**	**18,148,169**	153,262	9,989,617
			856,784,102	**59,306,595,541**	732,653,262	47,754,339,617
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	15	**11,948,772**	**827,093,998**	15,871,827	1,034,525,684
	(ii) Trade payables	16	**5,847,632**	**404,773,087**	3,957,599	257,956,303
	(iii) Other financial liabilities	17	**69,106,423**	**4,783,546,600**	170,934,320	11,141,498,977
	Other current liabilities	18	**221,583**	**15,337,975**	385,774	25,144,750
	Provisions	19	**22,218**	**1,537,930**	35,834	2,335,660
			87,146,628	**6,032,289,590**	191,185,354	12,461,461,374
	TOTAL EQUITY AND LIABILITIES		**1,053,280,420**	**72,908,070,671**	1,033,496,800	67,363,321,426

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

Tata Communications (Netherlands) BV

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	20	**203,031,800**	**14,053,861,196**	204,814,943	13,349,837,985
ii	Other Income	21	**39,069,156**	**2,704,366,978**	37,849,641	2,467,039,600
iii	**Total income (i + ii)**		**242,100,956**	**16,758,228,174**	242,664,584	15,816,877,585
iv	**Expenses:**					
	Network and transmission expenses	22	**185,839,273**	**12,863,794,477**	191,659,049	12,492,336,814
	Employee benefits expenses	23	**701,914**	**48,586,487**	584,142	38,074,375
	Operating and other expenses	24	**12,450,889**	**861,850,537**	9,350,229	609,447,925
	Finance costs	25	**37,542,688**	**2,598,704,864**	35,579,766	2,319,089,148
	Depreciation and amortisation expenses		**1,143,187**	**79,131,404**	818,540	53,352,437
	Total expenses		**237,677,951**	**16,452,067,769**	237,991,726	15,512,300,699
v	**Profit / (loss) before exceptional items and taxes (iii - iv)**		**4,423,005**	**306,160,405**	4,672,858	304,576,886
vi	**Exceptional items:**					
	Impairment of investment		-	-	(4,650,745)	(303,135,559)
vii	**Profit / (loss) before taxes (v - vi)**		**4,423,005**	**306,160,405**	22,113	1,441,327
viiii	**Tax expenses**					
	(i) Current tax expense/(benefit)		**1,208,582**	**83,658,046**	1,168,217	76,144,384
	(ii) Deferred tax expense/(benefit)		**(102,829)**	**(7,117,823)**	13,482	878,757
	Net tax expenses		**1,105,753**	**76,540,223**	1,181,699	77,023,141
ix	**Profit / (loss) for the year (vii-viii)**		**3,317,252**	**229,620,182**	(1,159,586)	(75,581,814)

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	**21,973**	**1,520,971**	21,973	1,432,200
Cables	**3,283,860**	**227,308,789**	3,293,202	214,650,906
Plant and machinery	**8,086,837**	**559,770,857**	8,405,327	547,859,214
Furniture and fixtures	**7,154**	**495,200**	7,154	466,298
Computers	**314,220**	**21,750,308**	382,975	24,962,311
Office equipment	**62,643**	**4,336,148**	67,655	4,409,753
(a)	**11,776,687**	**815,182,273**	12,178,286	793,780,682
Accumulated depreciation:				
Lease hold improvement	**21,973**	**1,520,971**	21,973	1,432,200
Cables	**2,712,903**	**187,787,146**	2,477,838	161,505,481
Plant and machinery	**6,213,820**	**430,120,620**	6,324,861	412,254,440
Furniture and fixtures	**5,711**	**395,315**	4,845	315,797
Computers	**314,047**	**21,738,333**	382,386	24,923,919
Office equipment	**33,050**	**2,287,721**	31,746	2,069,204
(b)	**9,301,504**	**643,850,106**	9,243,649	602,501,041
Net block (a) - (b)	**2,475,183**	**171,332,167**	2,934,637	191,279,641

2 Other intangible assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Computer software	**1,764,234**	**122,120,277**	130,850	8,528,803
(a)	**1,764,234**	**122,120,277**	130,850	8,528,803
Accumulated amortisation:				
Computer software	**476,355**	**32,973,293**	127,410	8,304,584
(b)	**476,355**	**32,973,293**	127,410	8,304,584
Net block (a) - (b)	**1,287,879**	**89,146,984**	3,440	224,219

3 Investments in subsidiaries & associates

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Investments in subsidiaries	**326,144,736**	**22,575,738,626**	274,641,094	17,901,106,507
Impairment of investment in subsidiaries	**(4,650,745)**	**(321,924,569)**	-	-
Investments in associates	-	-	13,354,750	870,462,605
Impairment of investment in associates	-	-	(4,650,745)	(303,135,559)
Total	**321,493,991**	**22,253,814,057**	283,345,099	18,468,433,553

4 Non-current assets - financial assets - loans

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans given -net	**656,851,933**	**45,467,290,802**	699,935,068	45,621,767,732
Total	**656,851,933**	**45,467,290,802**	699,935,068	45,621,767,732

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Vendor deposits	**458**	**31,703**	502	32,720
Others	-	-	2,473,566	161,227,032
Total	**458**	**31,703**	2,474,068	161,259,752

6 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	**2,451,521**	**169,694,284**	3,424,852	223,231,853
Others	**265**	**18,343**	265	17,273
Total	**2,451,786**	**169,712,627**	3,425,117	223,249,126

7 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	**2,478,102**	**171,534,220**	2,491,846	162,418,522
Intercompany receivables	**39,506,094**	**2,734,611,827**	12,017,925	783,328,352
Provision for doubtful debts	**(254,677)**	**(17,628,742)**	(451,489)	(29,428,053)
Total	**41,729,519**	**2,888,517,305**	14,058,282	916,318,821

8 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	**3,634,921**	**251,609,232**	2,648,913	172,656,149
Total	**3,634,921**	**251,609,232**	2,648,913	172,656,149

9 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Advances to employees	3,415	236,386	52,331	3,410,935
Interest Receivable	15,073,011	1,043,353,821	16,604,975	1,082,312,271
Others	2,068,200	143,160,804	1,738,506	113,315,821
Total	**17,144,626**	**1,186,751,011**	18,395,812	1,199,039,027

10 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	1,830,822	126,729,499	2,158,755	140,707,651
Indirect tax receivable	496,710	34,382,266	-	-
Total	**2,327,532**	**161,111,765**	2,158,755	140,707,651

11 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	179,800,561	12,445,794,832	179,800,561	11,719,400,566
Total	**179,800,561**	**12,445,794,832**	179,800,561	11,719,400,566

12 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(73,290,993)	(5,073,202,535)	(72,131,407)	(4,701,525,108)
Profit / (loss) for the year	3,317,252	229,620,182	(1,159,586)	(75,581,814)
Closing balance	(69,973,741)	(4,843,582,353)	(73,290,993)	(4,777,106,922)
OCI - Reserves derivatives	(477,130)	(33,026,939)	3,148,616	205,226,791
Total	(70,450,871)	(4,876,609,292)	(70,142,377)	(4,571,880,131)

13 Non-current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Loan from banks	855,000,000	59,183,100,000	732,500,000	47,744,350,000
Total	**855,000,000**	**59,183,100,000**	732,500,000	47,744,350,000

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

14 Non-current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Derivative liabilities	1,521,921	105,347,372	-	-
Total	1,521,921	105,347,372	-	-

15 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Loan from bank	11,948,772	827,093,998	15,871,827	1,034,525,684
Total	11,948,772	827,093,998	15,871,827	1,034,525,684

16 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	5,847,632	404,773,087	3,957,599	257,956,303
Total	5,847,632	404,773,087	3,957,599	257,956,303

17 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Current portion of long term loans	67,500,000	4,672,350,000	167,500,000	10,917,650,000
Deposit from customers and contractors	21,558	1,492,245	32,891	2,143,835
Interest accrued but not due	1,584,865	109,704,355	3,390,641	221,001,980
Others	-	-	10,788	703,162
Total	69,106,423	4,783,546,600	170,934,320	11,141,498,977

18 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	166,561	11,529,352	40,089	2,613,001
Other Employee dues	55,022	3,808,623	46,681	3,042,668
Other Statutory dues	-	-	299,004	19,489,081
Total	221,583	15,337,975	385,774	25,144,750

19 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	22,218	1,537,930	35,834	2,335,660
Total	22,218	1,537,930	35,834	2,335,660

20 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	203,031,800	14,053,861,196	204,814,943	13,349,837,985
Total	203,031,800	14,053,861,196	204,814,943	13,349,837,985

21 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest on loan to subsidiaries	39,025,393	2,701,337,703	37,597,453	2,450,601,987
Exchange gain -Net	-	-	196,602	12,814,518
Miscellaneous income	43,763	3,029,275	55,586	3,623,095
Total	39,069,156	2,704,366,978	37,849,641	2,467,039,600

22 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	182,275,273	12,617,094,397	188,510,849	12,287,137,138
Rent of satellite channels	3,564,000	246,700,080	3,148,200	205,199,676
Total	185,839,273	12,863,794,477	191,659,049	12,492,336,814

23 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	686,186	47,497,795	575,835	37,532,925
Staff welfare expenses	15,728	1,088,692	8,307	541,450
Total	701,914	48,586,487	584,142	38,074,375

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

24 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	10,156	702,998	-	-
Auditors remuneration	185,062	12,809,992	189,735	12,366,927
Communication expenses	12,395	857,982	131,279	8,556,765
Electricity	94,539	6,543,990	95,557	6,228,405
Exchange loss -Net	849,585	58,808,274	-	-
Insurance expenses	8,357	578,472	5,081	331,180
IT consumables	142	9,829	233	15,187
Legal and professional fees	3,489,935	241,573,301	1,486,225	96,872,146
Miscellaneous expenses	502,104	34,755,638	105,405	6,870,298
Printing and stationery	4,822	333,779	1,680	109,502
Provision for doubtful debts	(196,812)	(13,623,327)	314,669	20,510,125
Rates and Taxes	2,907	201,223	22,129	1,442,368
Recruitment expenses	369	25,542	-	-
Relocation Expense	13,741	951,152	-	-
Rent	175,462	12,145,480	163,050	10,627,599
Repairs and Maintenance - Plant & Machinery	2,455,022	169,936,623	1,584,156	103,255,288
Repairs and Maintenance -Building	277	19,174	2,584	168,425
Security charges	301	20,835	310	20,206
Seminars, trainings and conferences	(12,000)	(830,640)	36,000	2,346,480
Services rendered by agencies	4,842,191	335,176,461	5,171,411	337,072,569
Bad debts written off	-	-	3,768	245,598
Travelling and conveyance expenses	12,334	853,759	36,957	2,408,857
Total	12,450,889	861,850,537	9,350,229	609,447,925

25 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	36,848,066	2,550,623,129	35,271,727	2,299,011,166
Guarantee fees	694,622	48,081,735	308,039	20,077,982
Total	37,542,688	2,598,704,864	35,579,766	2,319,089,148

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 (America) Inc.** ("the subsidiary") registered in Delaware, USA as at 31 March 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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: 06 MAY 2019

Tata Communications (America) Inc.

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**120,178,025**	**8,318,722,890**	134,974,891	8,797,663,394
	Capital work-in-progress		**3,277,946**	**226,899,422**	2,852,040	185,895,967
	Other intangible assets	2	**10,669,908**	**738,571,032**	12,726,493	829,512,814
	Intangible assets under development		**3,935,037**	**272,383,261**	4,167,530	271,639,605
	Financial assets					
	(i) Investments -others	3	**22,810,603**	**1,578,949,940**	20,110,603	1,310,809,104
	(ii) Loans	4	**56,406,402**	**3,904,451,146**	81,239,587	5,295,196,281
	(iii) Other financial assets	5	**1,284,614**	**88,920,981**	1,278,734	83,347,882
	Non current tax asset		**1,103,282**	**76,369,180**	1,324,250	86,314,615
	Other non-current assets	6	**887,629**	**61,441,679**	1,027,716	66,986,529
			220,553,446	**15,266,709,531**	259,701,844	16,927,366,191
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	7	**59,381,648**	**4,110,397,675**	39,710,310	2,588,318,006
	(ii) Cash and cash equivalent	8	**63,030**	**4,362,937**	5,161	336,394
	(iii) Other financial assets	9	**1,342,091**	**92,899,540**	2,194,354	143,027,994
	Other current assets	10	**8,316,277**	**575,652,694**	4,931,036	321,404,926
			69,103,046	**4,783,312,846**	46,840,861	3,053,087,320
	TOTAL ASSETS		**289,656,492**	**20,050,022,377**	306,542,705	19,980,453,511
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	11	**226,603,995**	**15,685,528,534**	226,603,995	14,770,048,394
	Other equity	12	**(103,281,931)**	**(7,149,175,263)**	(113,263,125)	(7,382,490,489)
	Total Equity		**123,322,064**	**8,536,353,271**	113,340,870	7,387,557,905
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Other financial liabilities	13	**4,042,727**	**279,837,563**	4,645,446	302,790,170
	Provisions	14	**5,333,034**	**369,152,614**	5,657,355	368,746,399
	Other non current liabilities (Deferred revenue)		**51,439,913**	**3,560,670,778**	65,019,823	4,237,992,063
			60,815,674	**4,209,660,955**	75,322,624	4,909,528,632
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	15	**67,370,562**	**4,663,390,302**	71,433,302	4,656,022,624
	(ii) Other financial liabilities	16	**2,722,514**	**188,452,419**	4,149,275	270,449,745
	Other current liabilities	17	**33,206,267**	**2,298,537,801**	39,937,919	2,603,153,561
	Provisions	18	**2,219,411**	**153,627,629**	2,358,715	153,741,044
			105,518,754	**7,304,008,151**	117,879,211	7,683,366,974
	TOTAL EQUITY AND LIABILITIES		**289,656,492**	**20,050,022,377**	306,542,705	19,980,453,511

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

Tata Communications (America) Inc.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	19	**398,479,098**	**27,582,723,164**	438,590,110	28,587,303,370
ii	Other Income	20	**8,220,495**	**569,022,664**	20,791,477	1,355,188,471
iii	**Total income (i + ii)**		**406,699,593**	**28,151,745,828**	459,381,587	29,942,491,841
iv	**Expenses:**					
	Network and transmission expenses	21	**192,533,853**	**13,327,193,305**	232,132,389	15,130,389,115
	Employee benefits expenses	22	**82,296,927**	**5,696,593,287**	96,126,548	6,265,528,399
	Operating and other expenses	23	**80,109,808**	**5,545,200,908**	75,458,546	4,918,388,030
	Finance costs	24	**2,617,351**	**181,173,036**	2,952,482	192,442,777
	Depreciation and amortisation expenses		**38,437,614**	**2,660,651,641**	36,745,497	2,395,071,494
	Total expenses		**395,995,553**	**27,410,812,177**	443,415,462	28,901,819,815
v	**Profit / (loss) before exceptional items and taxes (iii - iv)**		**10,704,040**	**740,933,651**	15,966,125	1,040,672,026
vi	**Exceptional items (income / expenses):**					
	Staff cost optimisation		**(313,275)**	**(21,684,896)**	(7,013,231)	(457,122,397)
vii	**Profit / (loss) before taxes (v - vi)**		**10,390,765**	**719,248,755**	8,952,894	583,549,629
viiii	**Tax expenses**					
	(i) Current tax expense/(benefit)		**409,571**	**28,350,505**	1,822,436	118,786,378
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		**409,571**	**28,350,505**	1,822,436	118,786,378
ix	**Profit / (loss) for the year (vii-viii)**		**9,981,194**	**690,898,250**	7,130,458	464,763,251

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Land	**1,498,991**	**103,760,157**	1,498,991	97,704,233
Building	**5,609,046**	**388,258,164**	5,609,046	365,597,618
Lease hold improvement	**9,007,384**	**623,491,120**	9,376,167	611,138,565
Cables	**135,489,019**	**9,378,549,895**	130,362,502	8,497,027,880
Plant and machinery	**318,107,923**	**22,019,430,430**	328,045,639	21,382,014,750
Furniture and fixtures	**1,245,835**	**86,236,699**	1,662,466	108,359,534
Computers	**17,313,463**	**1,198,437,909**	21,656,023	1,411,539,579
Office equipment	**1,198,008**	**82,926,114**	1,298,572	84,640,923
Vehicles	**28,208**	**1,952,558**	28,208	1,838,597
(a)	**489,497,877**	**33,883,043,046**	499,537,614	32,559,861,679
Accumulated depreciation:				
Building	**3,130,870**	**216,718,821**	2,892,934	188,561,438
Lease hold improvement	**5,882,131**	**407,161,108**	4,631,995	301,913,434
Cables	**94,945,305**	**6,572,114,012**	87,741,531	5,718,992,991
Plant and machinery	**247,348,295**	**17,121,448,980**	246,823,041	16,087,925,812
Furniture and fixtures	**644,700**	**44,626,134**	978,092	63,752,037
Computers	**16,719,285**	**1,157,308,908**	20,609,673	1,343,338,486
Office equipment	**621,058**	**42,989,635**	857,249	55,875,490
Vehicles	**28,208**	**1,952,558**	28,208	1,838,597
(b)	**369,319,852**	**25,564,320,156**	364,562,723	23,762,198,285
Net block (a) - (b)	**120,178,025**	**8,318,722,890**	134,974,891	8,797,663,394

2 Other intangible assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Computer software	**77,303,458**	**5,350,945,363**	71,074,845	4,632,658,397
(a)	**77,303,458**	**5,350,945,363**	71,074,845	4,632,658,397
Accumulated amortisation:				
Computer software	**66,633,550**	**4,612,374,331**	58,348,352	3,803,145,583
(b)	**66,633,550**	**4,612,374,331**	58,348,352	3,803,145,583
Net block (a) - (b)	**10,669,908**	**738,571,032**	12,726,493	829,512,814

3 Financial asset - Investment others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Investments - others	22,810,603	1,578,949,940	20,110,603	1,310,809,104
Total	22,810,603	1,578,949,940	20,110,603	1,310,809,104

4 Non-current assets - financial assets - loans

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans given (net)	56,406,402	3,904,451,146	81,239,587	5,295,196,281
Total	56,406,402	3,904,451,146	81,239,587	5,295,196,281

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Vendor deposits	1,284,614	88,920,981	1,278,734	83,347,882
Total	1,284,614	88,920,981	1,278,734	83,347,882

6 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	887,629	61,441,679	1,027,716	66,986,529
Total	887,629	61,441,679	1,027,716	66,986,529

7 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	64,699,275	4,478,483,816	44,579,715	2,905,705,824
Provision for doubtful debts	(5,317,627)	(368,086,141)	(4,869,405)	(317,387,818)
Total	59,381,648	4,110,397,675	39,710,310	2,588,318,006

8 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Cash in hand	-	-	29	1,890
Balance with bank	63,030	4,362,937	5,132	334,504
Total	63,030	4,362,937	5,161	336,394

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

9 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Security Deposit	83,707	5,794,199	83,609	5,449,635
Interest Receivable	77,121	5,338,316	1,241,983	80,952,452
Others	1,181,263	81,767,025	868,762	56,625,907
Total	**1,342,091**	**92,899,540**	2,194,354	143,027,994

10 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Advances to employees	619,358	42,871,961	387,685	25,269,308
Advances to Vendors / Suppliers	55,117	3,815,199	24,177	1,575,857
Other Advances	1,054	72,958	-	-
Prepaid expenses	7,640,742	528,892,161	4,519,174	294,559,761
Others	6	415	-	-
Total	**8,316,277**	**575,652,694**	**4,931,036**	**321,404,926**

11 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	226,603,995	15,685,528,534	226,603,995	14,770,048,394
Total	**226,603,995**	**15,685,528,534**	226,603,995	14,770,048,394

12 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(113,263,125)	(7,840,073,513)	(120,393,583)	(7,847,253,740)
Profit / (loss) for the year	9,981,194	690,898,250	7,130,458	464,763,251
Total	**(103,281,931)**	**(7,149,175,263)**	(113,263,125)	(7,382,490,489)

13 Non-current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Lease equalisation	4,042,727	279,837,563	4,645,446	302,790,170
Total	**4,042,727**	**279,837,563**	4,645,446	302,790,170

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

14 Non-current liabilities - provisions

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Asset retirement obligation and others	4,859,045	336,343,095	4,669,738	304,373,523
Retention liability	473,989	32,809,519	987,617	64,372,876
Total	5,333,034	369,152,614	5,657,355	368,746,399

15 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	62,458,086	4,323,348,713	69,570,169	4,534,583,615
Inter Company - Payables	4,912,476	340,041,589	1,863,133	121,439,009
Total	67,370,562	4,663,390,302	71,433,302	4,656,022,624

16 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deposit from customers and contractors	1,586,102	109,789,980	2,382,721	155,305,755
Interest accrued but not due	199,646	13,819,496	414,140	26,993,645
Others	936,766	64,842,943	1,352,414	88,150,345
Total	2,722,514	188,452,419	4,149,275	270,449,745

17 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	18,588,379	1,286,687,594	19,298,942	1,257,905,040
Other Employee dues	13,472,973	932,599,191	19,716,861	1,285,145,000
Other Statutory dues	1,144,910	79,250,670	922,116	60,103,521
Others	5	346	-	-
Total	33,206,267	2,298,537,801	39,937,919	2,603,153,561

18 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	**2,219,411**	**153,627,629**	2,358,715	153,741,044
Total	**2,219,411**	**153,627,629**	2,358,715	153,741,044

19 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	**398,479,098**	**27,582,723,164**	438,590,110	28,587,303,370
Total	**398,479,098**	**27,582,723,164**	438,590,110	28,587,303,370

20 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest income - others	**205**	**14,190**	-	-
Interest on loan to subsidiaries	**5,127,562**	**354,929,842**	6,210,320	404,788,658
Profit on sale of fixed assets	**881**	**60,983**	2,859	186,350
Exchange gain -Net	-	-	11,714,535	763,553,391
Miscellaneous income	**3,091,847**	**214,017,649**	2,863,763	186,660,072
Total	**8,220,495**	**569,022,664**	20,791,477	1,355,188,471

21 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	**192,533,853**	**13,327,193,305**	232,127,389	15,130,063,215
Rent of satellite channels	-	-	5,000	325,900
Total	**192,533,853**	**13,327,193,305**	232,132,389	15,130,389,115

22 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	**81,591,179**	**5,647,741,410**	95,619,961	6,232,509,058
Staff welfare expenses	**705,748**	**48,851,877**	506,587	33,019,341
Total	**82,296,927**	**5,696,593,287**	96,126,548	6,265,528,399

23 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	3,375,516	233,653,218	4,383,507	285,716,986
Auditors remuneration	35,310	2,444,158	31,630	2,061,643
Communication expenses	601,613	41,643,652	943,744	61,513,234
CSR expenses	15,082	1,043,976	15,305	997,580
Donations	1,000	69,220	1,019	66,418
Electricity	8,762,698	606,553,956	8,977,525	585,155,080
Entertainment expenses	60,340	4,176,735	151,456	9,871,902
Exchange loss -Net	7,294,511	504,926,051	-	-
Insurance expenses	629,020	43,540,764	475,425	30,988,202
IT consumables	171,147	11,846,795	101,816	6,636,367
Legal and professional fees	5,596,636	387,399,144	6,673,030	434,948,095
Loss on sale of fixed asset	-	-	28,887	1,882,855
Miscellaneous expenses	3,710,773	256,859,705	3,247,481	211,670,813
Printing and stationery	147,358	10,200,121	224,252	14,616,745
Provision for doubtful debts	448,222	31,025,927	36,370	2,370,597
Rates and Taxes	4,902,368	339,341,913	4,910,621	320,074,277
Recruitment expenses	1,144,805	79,243,402	579,126	37,747,433
Relocation Expense	343,131	23,751,528	564,907	36,820,638
Rent	11,451,665	792,684,251	11,304,195	736,807,430
Repairs and Maintenance - Plant & Machinery	23,711,601	1,641,317,021	18,173,106	1,184,523,049
Repairs and Maintenance -Building	147,780	10,229,332	308,201	20,088,541
Security charges	144,338	9,991,076	145,342	9,473,392
Seminars, trainings and conferences	951,230	65,844,141	2,618,271	170,658,904
Services rendered by agencies	3,052,051	211,262,970	5,754,240	375,061,363
Bad debts written off	-	-	1,970,097	128,410,922
Travelling and conveyance expenses	3,411,613	236,151,852	3,838,993	250,225,564
Total	80,109,808	5,545,200,908	75,458,546	4,918,388,030

24 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	2,617,351	181,173,036	2,952,482	192,442,777
Total	2,617,351	181,173,036	2,952,482	192,442,777

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 (Australia) Pty. Ltd.** ("the subsidiary") registered in Australia as at 31 March 2019 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
MUMBAI

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: 06 MAY 2019

Tata Communications (Australia) Pty. Ltd.

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**2,678,507**	**185,406,255**	2,290,299	149,281,688
	Capital work-in-progress		**149,331**	**10,336,692**	590,226	38,470,931
	Other intangible assets	2	**136,558**	**9,452,545**	149,699	9,757,381
	Financial assets					
	(i) Other financial assets	3	-	-	58,728	3,827,891
	Deferred tax assets (Net)		**763,760**	**52,867,467**	487,269	31,760,193
	Other non-current assets	4	**26,497**	**1,834,122**	30,746	2,004,024
			3,754,653	**259,897,081**	3,606,967	235,102,108
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	5	**5,633,547**	**389,954,123**	5,750,569	374,822,087
	(ii) Cash and cash equivalent	6	**630,510**	**43,643,902**	965,808	62,951,365
	(iii) Other financial assets	7	**176,569**	**12,222,106**	61,775	4,026,495
	Other current assets	8	**507,134**	**35,103,816**	68,001	4,432,305
			6,947,760	**480,923,947**	6,846,153	446,232,252
	TOTAL ASSETS		**10,702,413**	**740,821,028**	10,453,120	681,334,360
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	9	**357,000**	**24,711,540**	357,000	23,269,260
	Other equity	10	**1,995,825**	**138,151,008**	1,185,519	77,272,127
	Total Equity		**2,352,825**	**162,862,548**	1,542,519	100,541,387
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Other financial liabilities	11	**18,606**	**1,287,907**	18,177	1,184,777
	Provisions	12	-	-	11,989	781,443
	Other non current liabilities (Deferred revenue)		**2,210**	**152,976**	1,569	102,267
			20,816	**1,440,883**	31,735	2,068,487
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	13	**468,293**	**32,415,241**	511,125	33,315,128
	(ii) Trade payables	14	**5,563,053**	**385,074,528**	6,943,177	452,556,277
	(iii) Other financial liabilities	15	**29,033**	**2,009,664**	48,762	3,178,307
	Other current liabilities	16	**1,082,735**	**74,946,917**	747,313	48,709,861
	Provisions	17	**568,235**	**39,333,227**	379,426	24,730,987
	Current tax liabilities (Net)		**617,423**	**42,738,020**	249,063	16,233,926
			8,328,772	**576,517,597**	8,878,866	578,724,486
	TOTAL EQUITY AND LIABILITIES		**10,702,413**	**740,821,028**	10,453,120	681,334,360

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Tata Communications (Australia) Pty. Ltd.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	18	**34,316,449**	**2,375,384,600**	38,893,090	2,535,051,606
ii	Other Income	19	**1,910,983**	**132,278,243**	737,706	48,083,677
iii	**Total income (i + ii)**		**36,227,432**	**2,507,662,843**	39,630,796	2,583,135,283
iv	**Expenses:**					
	Network and transmission expenses	20	**23,527,863**	**1,628,598,677**	30,857,667	2,011,302,735
	Employee benefits expenses	21	**8,194,638**	**567,232,842**	5,272,320	343,649,817
	Operating and other expenses	22	**2,950,481**	**204,232,293**	2,330,115	151,876,897
	Finance costs	23	**23,119**	**1,600,297**	28,520	1,858,934
	Depreciation and amortisation expenses		**784,057**	**54,272,426**	573,862	37,404,325
	Total expenses		**35,480,158**	**2,455,936,535**	39,062,484	2,546,092,708
v	**Profit before exceptional items and taxes (iii - iv)**		**747,274**	**51,726,308**	568,312	37,042,575
vi	**Exceptional items (income / expenses):**					
	Staff cost optimisation		**7,269**	**503,160**	(128,606)	(8,382,539)
vii	**Profit / (loss) before taxes (v - vi)**		**754,543**	**52,229,468**	439,706	28,660,036
viiii	**Tax expenses**					
	(i) Current tax expense/(benefit)		**220,728**	**15,278,792**	457,187	29,799,449
	(ii) Deferred tax expense/(benefit)		**(276,491)**	**(19,138,707)**	(167,345)	(10,907,547)
	Net tax expenses		**(55,763)**	**(3,859,915)**	289,842	18,891,902
ix	**Profit / (loss) for the year (vii-viii)**		**810,306**	**56,089,383**	149,864	9,768,134

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	3,958	273,973	-	-
Cables	380,458	26,335,303	380,458	24,798,252
Plant and machinery	7,173,062	496,519,352	6,799,937	443,219,894
Furniture and fixtures	39,036	2,702,072	19,941	1,299,754
Computers	259,293	17,948,261	257,758	16,800,666
Office equipment	1,538	106,460	2,185	142,418
(a)	7,857,345	543,885,421	7,460,279	486,260,984
Accumulated depreciation:				
Lease hold improvement	896	62,021	-	-
Cables	363,113	25,134,682	361,013	23,530,827
Plant and machinery	4,632,741	320,678,332	4,689,373	305,653,332
Furniture and fixtures	18,882	1,307,012	15,871	1,034,472
Computers	161,668	11,190,659	101,538	6,618,247
Office equipment	1,538	106,460	2,185	142,418
(b)	5,178,838	358,479,166	5,169,980	336,979,296
Net block (a) - (b)	2,678,507	185,406,255	2,290,299	149,281,688

2 Other intangible assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Computer software	177,344	12,275,752	154,861	10,093,840
(a)	177,344	12,275,752	154,861	10,093,840
Accumulated amortisation:				
Computer software	40,786	2,823,207	5,162	336,459
(b)	40,786	2,823,207	5,162	336,459
Net block (a) - (b)	136,558	9,452,545	149,699	9,757,381

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	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 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	26,497	1,834,122	30,746	2,004,024
Total	26,497	1,834,122	30,746	2,004,024

SURESH SURANA & ASSOCIATES LLP ★ MUMBAI ★ Chartered Accountants

5 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	5,647,113	390,893,162	5,764,374	375,721,897
Provision for doubtful debts	(13,566)	(939,039)	(13,805)	(899,810)
Total	5,633,547	389,954,123	5,750,569	374,822,087

6 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	630,510	43,643,902	965,808	62,951,365
Total	630,510	43,643,902	965,808	62,951,365

7 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Security Deposit	7,455	516,035	7,455	485,917
Advances to employees	113,842	7,880,143	50,259	3,275,882
Interest Receivable	67	4,638	-	-
Others	55,205	3,821,290	4,061	264,696
Total	176,569	12,222,106	61,775	4,026,495

8 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	122,968	8,511,845	-	-
Prepaid expenses	362,295	25,078,060	68,001	4,432,305
Others	21,871	1,513,911	-	-
Total	507,134	35,103,816	68,001	4,432,305

9 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	357,000	24,711,540	357,000	23,269,260
Total	357,000	24,711,540	357,000	23,269,260

10 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**1,185,519**	**82,061,625**	1,035,655	67,503,993
Profit / (loss) for the year	**810,306**	**56,089,383**	149,864	9,768,134
Total	**1,995,825**	**138,151,008**	1,185,519	77,272,127

11 Non-current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Lease equalisation	**18,606**	**1,287,907**	18,177	1,184,777
Total	**18,606**	**1,287,907**	18,177	1,184,777

12 Non-current liabilities - provisions

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Retention liability	-	-	11,989	781,443
Total	-	-	11,989	781,443

13 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans taken	**468,293**	**32,415,241**	511,125	33,315,128
Total	**468,293**	**32,415,241**	511,125	33,315,128

14 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	**3,040,038**	**210,431,430**	2,815,618	183,521,981
Inter Company - Payables	**2,523,015**	**174,643,098**	4,127,559	269,034,296
Total	**5,563,053**	**385,074,528**	6,943,177	452,556,277

15 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deposit from customers and contractors	**29,033**	**2,009,664**	31,430	2,048,607
Interest accrued but not due	-	-	17,332	1,129,700
Total	**29,033**	**2,009,664**	48,762	3,178,307

16 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	90,048	6,233,123	6,985	455,282
Other Employee dues	748,187	51,789,504	529,789	34,531,647
Other Statutory dues	244,500	16,924,290	202,377	13,190,933
Others	-	-	8,162	531,999
Total	**1,082,735**	**74,946,917**	747,313	48,709,861

17 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	568,235	39,333,227	379,426	24,730,987
Total	**568,235**	**39,333,227**	379,426	24,730,987

18 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	34,316,449	2,375,384,600	38,893,090	2,535,051,606
Total	**34,316,449**	**2,375,384,600**	38,893,090	2,535,051,606

19 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest income - others	352	24,365	1,304	84,995
Interest on loan to subsidiaries	30,719	2,126,369	47,161	3,073,954
Profit on sale of fixed assets	-	-	1	65
Miscellaneous income	1,879,912	130,127,509	689,240	44,924,663
Total	**1,910,983**	**132,278,243**	737,706	48,083,677

20 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	23,527,863	1,628,598,677	30,857,667	2,011,302,735
Total	**23,527,863**	**1,628,598,677**	30,857,667	2,011,302,735

21 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	8,179,286	566,170,177	5,262,884	343,034,779
Staff welfare expenses	15,352	1,062,665	9,436	615,038
Total	**8,194,638**	**567,232,842**	5,272,320	343,649,817

22 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	38,777	2,684,144	33,426	2,178,707
Auditors remuneration	14,381	995,453	15,110	984,870
Communication expenses	57,748	3,997,317	46,520	3,032,174
CSR expenses	2,595	179,626	-	-
Directors fees	7,198	498,246	-	-
Electricity	281,944	19,516,164	230,412	15,018,254
Entertainment expenses	20,732	1,435,069	23,302	1,518,824
Exchange loss -Net	111,859	7,742,880	173,777	11,326,785
Insurance expenses	41,721	2,887,928	29,123	1,898,237
IT consumables	9,696	671,157	2,920	190,326
Legal and professional fees	185,657	12,851,178	85,217	5,554,444
Loss on sale of fixed asset	-	-	105	6,844
Miscellaneous expenses	104,438	7,229,196	89,877	5,858,184
Printing and stationery	7,712	533,825	11,494	749,179
Provision for doubtful debts	(239)	(16,544)	(66,050)	(4,305,139)
Rates and Taxes	386,760	26,771,527	208,738	13,605,543
Recruitment expenses	356,700	24,690,774	76,833	5,007,975
Relocation Expense	211,302	14,626,324	77,247	5,034,959
Rent	330,936	22,907,390	360,601	23,503,973
Repairs and Maintenance - Plant & Machinery	265,261	18,361,366	356,895	23,262,416
Repairs and Maintenance -Building	222	15,367	-	-
Security charges	401	27,757	-	-
Seminars, trainings and conferences	4,040	279,649	27,462	1,789,973
Services rendered by agencies	247,302	17,118,244	292,778	19,083,270
Bad debts written off	-	-	9,681	631,008
Travelling and conveyance expenses	263,338	18,228,256	244,647	15,946,091
Total	**2,950,481**	**204,232,293**	2,330,115	151,876,897

23 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	22,913	1,586,038	28,520	1,858,934
Guarantee fees	206	14,259	-	-
Total	**23,119**	**1,600,297**	28,520	1,858,934

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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.

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Place Mumbai
Date: 06 MAY 2019

Tata Communications (Beijing) Technology Limited.

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Current assets**					
	Financial assets					
	(i) Trade receivables	1	**158,497**	**10,971,163**	53,240	3,470,183
	(ii) Cash and cash equivalent	2	**234,916**	**16,260,886**	178,992	11,666,699
	(iii) Other financial assets	3	**6,850**	**474,157**	7,315	476,792
	Other current assets	4	**30,715**	**2,126,092**	1,911	124,559
			430,978	**29,832,298**	241,458	15,738,233
	TOTAL ASSETS		**430,978**	**29,832,298**	241,458	15,738,233
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	5	**163,081**	**11,288,467**	163,081	10,629,620
	Other equity	6	**14,417**	**997,945**	(6,128)	(399,422)
	Total Equity		**177,498**	**12,286,412**	156,953	10,230,198
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	7	**137,881**	**9,544,123**	23,938	1,560,279
	Other current liabilities	8	**90,126**	**6,238,522**	44,792	2,919,542
	Provisions	9	**19,851**	**1,374,086**	13,718	894,139
	Current tax liabilities (Net)		**5,622**	**389,155**	2,057	134,075
			253,480	**17,545,886**	84,505	5,508,035
	TOTAL EQUITY AND LIABILITIES		**430,978**	**29,832,298**	241,458	15,738,233

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Tata Communications (Beijing) Technology Limited.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	10	**1,026,531**	**71,056,476**	529,692	34,525,325
ii	Other Income	11	**1,106**	**76,557**	15,391	1,003,185
iii	**Total income (i + ii)**		**1,027,637**	**71,133,033**	545,083	35,528,510
iv	**Expenses:**					
	Employee benefits expenses	12	**641,702**	**44,418,613**	386,718	25,206,279
	Operating and other expenses	13	**358,380**	**24,807,063**	120,292	7,840,632
	Total expenses		**1,000,082**	**69,225,676**	507,010	33,046,911
v	**Profit / (loss) before taxes (iii -iv)**		**27,555**	**1,907,357**	38,073	2,481,599
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		**7,010**	**485,232**	6,544	426,538
	(ii) Deferred tax expense/(benefit)		**-**	**-**	-	-
	Net tax expenses		**7,010**	**485,232**	6,544	426,538
vii	**Profit / (loss) for the year (v-vi)**		**20,545**	**1,422,125**	31,529	2,055,061

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	1,421	98,362	-	-
Intercompany receivables	157,076	10,872,801	53,240	3,470,183
Total	**158,497**	**10,971,163**	53,240	3,470,183

2 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	234,916	16,260,886	178,992	11,666,699
Total	**234,916**	**16,260,886**	178,992	11,666,699

3 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Security Deposit	6,850	474,157	7,315	476,792
Total	**6,850**	**474,157**	7,315	476,792

4 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	30,715	2,126,092	1,911	124,559
Total	**30,715**	**2,126,092**	1,911	124,559

5 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	163,081	11,288,467	163,081	10,629,620
Total	**163,081**	**11,288,467**	163,081	10,629,620

6 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(6,299)	(436,017)	(37,828)	(2,465,629)
Profit / (loss) for the year	20,545	1,422,125	31,529	2,055,061
Closing balance	14,246	986,108	(6,299)	(410,568)
Capital reserves	171	11,837	171	11,146
Total	14,417	997,945	(6,128)	(399,422)

7 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	137,881	9,544,123	23,938	1,560,279
Total	137,881	9,544,123	23,938	1,560,279

8 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Other Employee dues	90,026	6,231,600	44,751	2,916,870
Others	100	6,922	41	2,672
Total	90,126	6,238,522	44,792	2,919,542

9 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	19,851	1,374,086	13,718	894,139
Total	19,851	1,374,086	13,718	894,139

10 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	1,365	94,485	-	-
Management consultancy Services	1,025,166	70,961,991	529,692	34,525,325
Total	1,026,531	71,056,476	529,692	34,525,325

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

11 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest income - others	429	29,695	307	20,010
Exchange gain -Net	-	-	14,011	913,237
Miscellaneous income	677	46,862	1,073	69,938
Total	**1,106**	**76,557**	15,391	1,003,185

12 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	635,253	43,972,213	380,582	24,806,335
Staff welfare expenses	6,449	446,400	6,136	399,944
Total	**641,702**	**44,418,613**	386,718	25,206,279

13 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	44,826	3,102,856	-	-
Auditors remuneration	2,492	172,496	3,866	251,986
Communication expenses	1,130	78,219	1,147	74,761
Entertainment expenses	4,170	288,647	-	-
Exchange loss -Net	11,860	820,949	-	-
Insurance expenses	7,192	497,830	7,364	479,986
IT consumables	2,310	159,898	-	-
Legal and professional fees	79,612	5,510,743	59,322	3,866,608
Miscellaneous expenses	352	24,364	243	15,838
Printing and stationery	144	9,968	-	-
Rates and Taxes	1,867	129,234	2,466	160,734
Recruitment expenses	47,079	3,258,808	-	-
Rent	41,235	2,854,287	41,524	2,706,534
Seminars, trainings and conferences	3,191	220,881	1,495	97,444
Services rendered by agencies	72,316	5,005,714	-	-
Travelling and conveyance expenses	38,604	2,672,169	2,865	186,741
Total	**358,380**	**24,807,063**	120,292	7,840,632

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 (Belgium) SPRL** ("the subsidiary") registered in Belgium as at 31 March 2019 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.

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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: 06 MAY 2019

Tata Communications (Belgium) SPRL

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**185,797**	**12,860,869**	116,083	7,566,289
	Capital work-in-progress		**5,293**	**366,381**	4,412	287,574
	Financial assets					
	(i) Loans	2	-	-	1,068	69,612
	(ii) Other financial assets	3	**19,396**	**1,342,591**	21,287	1,387,487
	Non current tax asset		-	-	1,956	127,492
	Other non-current assets	4	**2,377**	**164,536**	-	-
			212,863	**14,734,377**	144,806	9,438,454
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	5	**216,955**	**15,017,626**	193,642	12,621,586
	(ii) Other financial assets	6	**4,921**	**340,632**	3,980	259,416
	Other current assets	7	**172,433**	**11,935,812**	26,441	1,723,425
			394,309	**27,294,070**	224,063	14,604,427
	TOTAL ASSETS		**607,172**	**42,028,447**	368,869	24,042,881
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	8	**3,337,592**	**231,028,118**	3,337,592	217,544,247
	Other equity	9	**(3,238,038)**	**(224,136,989)**	(3,229,910)	(210,525,535)
	Total Equity		**99,554**	**6,891,129**	107,682	7,018,712
(2)	**Non-current liabilities**					
	Other non current liabilities (Deferred revenue)		**5,155**	**356,829**	-	-
			5,155	**356,829**	-	-
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	10	**117,511**	**8,134,111**	-	-
	(ii) Trade payables	11	**367,512**	**25,439,181**	255,403	16,647,168
	(iii) Other financial liabilities	12	**9,285**	**642,708**	5,784	377,001
	Other current liabilities	13	**8,155**	**564,489**	-	-
			502,463	**34,780,489**	261,187	17,024,169
	TOTAL EQUITY AND LIABILITIES		**607,172**	**42,028,447**	368,869	24,042,881

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Tata Communications (Belgium) SPRL

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	14	**1,166,330**	**80,733,363**	609,694	39,739,855
ii	Other Income	15	**4,129**	**285,809**	10,905	710,788
iii	**Total income (i + ii)**		**1,170,459**	**81,019,172**	620,599	40,450,643
iv	**Expenses:**					
	Network and transmission expenses	16	**913,247**	**63,214,957**	395,800	25,798,244
	Operating and other expenses	17	**206,470**	**14,291,853**	175,754	11,455,647
	Finance costs	18	**10,884**	**753,390**	-	-
	Depreciation and amortisation expenses		**46,071**	**3,189,035**	41,053	2,675,835
	Total expenses		**1,176,672**	**81,449,235**	612,607	39,929,726
v	**Profit / (loss) before taxes (iii - iv)**		**(6,213)**	**(430,063)**	7,992	520,917
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		**1,915**	**132,556**	-	-
	(ii) Deferred tax expense/(benefit)		**-**	**-**	-	-
	Net tax expenses		**1,915**	**132,556**	-	-
vii	**Profit / (loss) for the year (v-vi)**		**(8,128)**	**(562,619)**	7,992	520,917

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**1,023,221**	**70,827,358**	1,335,997	87,080,284
(a)	**1,023,221**	**70,827,358**	1,335,997	87,080,284
Accumulated depreciation:				
Plant and machinery	**837,424**	**57,966,489**	1,219,914	79,513,995
(b)	**837,424**	**57,966,489**	1,219,914	79,513,995
Net block (a) - (b)	**185,797**	**12,860,869**	116,083	7,566,289

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans given	-	-	1,068	69,612
Total	-	-	1,068	69,612

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Vendor deposits	**19,396**	**1,342,591**	21,287	1,387,487
Total	**19,396**	**1,342,591**	21,287	1,387,487

4 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	**2,377**	**164,536**	-	-
Total	**2,377**	**164,536**	-	-

5 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	**64,645**	**4,474,727**	109,903	7,163,478
Intercompany receivables	**160,662**	**11,121,024**	89,946	5,862,680
Provision for doubtful debts	**(8,352)**	**(578,125)**	(6,207)	(404,572)
Total	**216,955**	**15,017,626**	193,642	12,621,586

6 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Security Deposit	3,217	222,681	3,217	209,684
Interest Receivable	-	-	763	49,732
Others	1,704	117,951	-	-
Total	4,921	340,632	3,980	259,416

7 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	18,497	1,280,362	6,564	427,842
Indirect tax receivable	153,936	10,655,450	19,877	1,295,583
Total	172,433	11,935,812	26,441	1,723,425

8 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	3,337,592	231,028,118	3,337,592	217,544,247
Total	3,337,592	231,028,118	3,337,592	217,544,247

9 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(3,229,910)	(223,574,370)	(3,237,902)	(211,046,452)
Profit / (loss) for the year	(8,128)	(562,619)	7,992	520,917
Total	(3,238,038)	(224,136,989)	(3,229,910)	(210,525,535)

10 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans taken	117,511	8,134,111	-	-
Total	117,511	8,134,111	-	-

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

11 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	367,512	25,439,181	255,403	16,647,168
Total	367,512	25,439,181	255,403	16,647,168

12 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Interest accrued but not due	9,285	642,708	-	-
Others	-	-	5,784	377,001
Total	9,285	642,708	5,784	377,001

13 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	8,155	564,489	-	-
Total	8,155	564,489	-	-

14 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	1,166,330	80,733,363	609,694	39,739,855
Total	1,166,330	80,733,363	609,694	39,739,855

15 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest on loan to subsidiaries	-	-	3,700	241,166
Exchange gain -Net	4,129	285,809	7,205	469,622
Total	4,129	285,809	10,905	710,788

16 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	913,247	63,214,957	395,800	25,798,244
Total	913,247	63,214,957	395,800	25,798,244

17 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	4,309	298,269	-	-
Auditors remuneration	46,200	3,197,964	46,200	3,011,316
Communication expenses	227	15,713	-	-
Electricity	12,452	861,927	12,070	786,723
Insurance expenses	2,160	149,515	2,035	132,641
Legal and professional fees	54,461	3,769,790	26,672	1,738,481
Miscellaneous expenses	1,382	95,662	2,084	135,837
Provision for doubtful debts	2,144	148,408	5,352	348,843
Rates and Taxes	307	21,251	1,163	75,804
Repairs and Maintenance - Plant & Machinery	82,301	5,696,875	78,841	5,138,856
Services rendered by agencies	527	36,479	1,312	85,516
Travelling and conveyance expenses	-	-	25	1,630
Total	206,470	14,291,853	175,754	11,455,647

18 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	10,419	721,203	-	-
Guarantee fees	465	32,187	-	-
Total	10,884	753,390	-	-

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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 * MUMBAI * Chartered Accountants

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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

SURESH SURANA & ASSOCIATES LLP ★ MUMBAI ★ Chartered Accountants

Place Mumbai
Date: 06 MAY 2019

Tata Communications (Bermuda) Ltd.

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**494,799,144**	**34,249,996,748**	538,380,528	35,091,642,816
	Capital work-in-progress		**5,747,935**	**397,872,061**	1,883,244	122,749,844
	Investments in subsidiaries & associates	2	**9,806,313**	**678,792,986**	22,772,245	1,484,294,929
	Other non-current assets	3	**2,799,930**	**193,811,155**	3,808,963	248,268,208
			513,153,322	**35,520,472,950**	566,844,980	36,946,955,797
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	4	**16,801,609**	**1,163,007,375**	551,629	35,955,178
	(ii) Cash and cash equivalent	5	**74,323**	**5,144,638**	57,355	3,738,399
	(iii) Other financial assets	6	**9,778**	**676,833**	-	-
	Other current assets	7	**1,898,455**	**131,411,055**	1,903,696	124,082,905
			18,784,165	**1,300,239,901**	2,512,680	163,776,482
	TOTAL ASSETS		**531,937,487**	**36,820,712,851**	569,357,660	37,110,732,279
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	8	**13,061**	**904,082**	13,061	851,316
	Other equity	9	**(422,484,019)**	**(29,244,343,793)**	(396,956,051)	(25,873,595,403)
	Total Equity		**(422,470,958)**	**(29,243,439,711)**	(396,942,990)	(25,872,744,087)
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Borrowings	10	**16,342,956**	**1,131,259,414**	27,238,259	1,775,389,722
	Provisions	11	**693,234**	**47,985,657**	686,123	44,721,497
	Other non current liabilities (Deferred revenue)		**186,536,937**	**12,912,086,779**	202,708,526	13,212,541,725
			203,573,127	**14,091,331,850**	230,632,908	15,032,652,944
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	12	**681,581,090**	**47,179,043,050**	665,948,930	43,406,551,257
	(ii) Trade payables	13	**19,021,315**	**1,316,655,424**	21,111,244	1,376,030,883
	(iii) Other financial liabilities	14	**27,838,853**	**1,927,005,405**	26,869,981	1,751,385,362
	Other current liabilities	15	**22,394,060**	**1,550,116,833**	21,737,587	1,416,855,920
			750,835,318	**51,972,820,712**	735,667,742	47,950,823,422
	TOTAL EQUITY AND LIABILITIES		**531,937,487**	**36,820,712,851**	569,357,660	37,110,732,279

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

Tata Communications (Bermuda) Ltd.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	16	**83,405,670**	**5,773,340,477**	56,931,246	3,710,778,614
ii	Other Income	17	**17,950,538**	**1,242,536,241**	26,361,565	1,718,246,807
iii	**Total income (i + ii)**		**101,356,208**	**7,015,876,718**	83,292,811	5,429,025,421
iv	**Expenses:**					
	Network and transmission expenses	18	**2,386,709**	**165,207,997**	12,386,445	807,348,485
	Employee benefits expenses	19	**420,708**	**29,121,407**	425,937	27,762,574
	Operating and other expenses	20	**34,206,766**	**2,367,792,341**	28,808,366	1,877,729,295
	Finance costs	21	**40,406,225**	**2,796,918,895**	34,540,581	2,251,355,069
	Depreciation and amortisation expenses		**49,463,768**	**3,423,882,021**	48,615,981	3,168,789,642
	Total expenses		**126,884,176**	**8,782,922,661**	124,777,310	8,132,985,065
v	**Profit before exceptional items and taxes (iii - iv)**		**(25,527,968)**	**(1,767,045,943)**	(41,484,499)	(2,703,959,644)
vi	**Exceptional items (income / expenses):**					
	Inter company loans written back		-	-	19,546,392	1,274,033,831
vii	**Profit / (loss) before taxes (v - vi)**		**(25,527,968)**	**(1,767,045,943)**	(21,938,107)	(1,429,925,813)
viii	**Tax expenses**					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
ix	**Profit / (loss) for the year (vii-viii)**		**(25,527,968)**	**(1,767,045,943)**	(21,938,107)	(1,429,925,813)

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	9,323	645,338	9,323	607,673
Cables	895,598,144	61,993,303,528	889,724,745	57,992,258,879
Plant and machinery	47,903,696	3,315,893,837	47,903,696	3,122,362,905
Furniture and fixtures	2,000	138,440	2,000	130,360
Computers	2,431	168,274	2,431	158,453
(a)	943,515,594	65,310,149,417	937,642,195	61,115,518,270
Accumulated depreciation:				
Lease hold improvement	9,323	645,338	7,991	520,853
Cables	407,829,504	28,229,958,267	362,163,244	23,605,800,244
Plant and machinery	40,874,443	2,829,328,944	37,087,502	2,417,363,380
Furniture and fixtures	750	51,915	500	32,590
Computers	2,430	168,205	2,430	158,387
(b)	448,716,450	31,060,152,669	399,261,667	26,023,875,454
Net block (a) - (b)	494,799,144	34,249,996,748	538,380,528	35,091,642,816

2 Investments in subsidiaries & associates

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Investments in subsidiaries	9,806,313	678,792,986	22,772,245	1,484,294,929
Total	9,806,313	678,792,986	22,772,245	1,484,294,929

3 Non-current assets - others

vii Profit before taxes (v - vi)

	Particulars	As at 31 March 2019		As at 31 March 2018	
viii		USD	INR	USD	INR
	Prepaid expenses	2,799,930	193,811,155	3,808,963	248,268,208
ix	**Profit / (loss) for the year (vii-viii)**	2,799,930	193,811,155	3,808,963	248,268,208

4 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	2,035,304	140,883,743	551,830	35,968,279
Intercompany receivables	14,766,506	1,022,137,545	-	-
Provision for doubtful debts	(201)	(13,913)	(201)	(13,101)
Total	16,801,609	1,163,007,375	551,629	35,955,178

5 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	74,323	5,144,638	57,355	3,738,399
Total	**74,323**	**5,144,638**	57,355	3,738,399

6 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Others	9,778	676,833	-	-
Total	**9,778**	**676,833**	-	-

7 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	1,898,455	131,411,055	1,903,696	124,082,905
Total	**1,898,455**	**131,411,055**	1,903,696	124,082,905

8 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	13,061	904,082	13,061	851,316
Total	**13,061**	**904,082**	13,061	851,316

9 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(407,565,990)	(28,211,717,828)	(385,627,883)	(25,135,225,414)
Profit / (loss) for the year	(25,527,968)	(1,767,045,943)	(21,938,107)	(1,429,925,813)
Closing balance	(433,093,958)	(29,978,763,771)	(407,565,990)	(26,565,151,227)
Share premium	10,609,939	734,419,978	10,609,939	691,555,824
Total	(422,484,019)	(29,244,343,793)	(396,956,051)	(25,873,595,403)

10 Non-current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Loan from banks	16,342,956	1,131,259,414	27,238,259	1,775,389,722
Total	16,342,956	1,131,259,414	27,238,259	1,775,389,722

11 Non-current liabilities - provisions

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Asset retirement obligation and others	693,234	47,985,657	686,123	44,721,497
Total	693,234	47,985,657	686,123	44,721,497

12 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans taken	681,581,090	47,179,043,050	665,948,930	43,406,551,257
Total	681,581,090	47,179,043,050	665,948,930	43,406,551,257

13 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	19,021,315	1,316,655,424	12,751,897	831,168,646
Inter Company - Payables	-	-	8,359,347	544,862,237
Total	19,021,315	1,316,655,424	21,111,244	1,376,030,883

14 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Current portion of long term loans	10,895,304	754,172,943	10,895,304	710,155,915
Interest accrued but not due	16,943,549	1,172,832,462	15,969,263	1,040,876,562
Others	-	-	5,414	352,885
Total	27,838,853	1,927,005,405	26,869,981	1,751,385,362

15 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	22,358,061	1,547,624,982	21,710,324	1,415,078,918
Other Employee dues	35,999	2,491,851	27,263	1,777,002
Total	22,394,060	1,550,116,833	21,737,587	1,416,855,920

16 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	**83,405,670**	**5,773,340,477**	56,931,246	3,710,778,614
Total	**83,405,670**	**5,773,340,477**	56,931,246	3,710,778,614

17 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Dividend income	**17,888,657**	**1,238,252,838**	26,360,000	1,718,144,800
Interest income - others	**1,260**	**87,217**	1,565	102,007
Exchange gain -Net	**6,621**	**458,306**	-	-
Miscellaneous income	**54,000**	**3,737,880**	-	-
Total	**17,950,538**	**1,242,536,241**	26,361,565	1,718,246,807

18 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	**2,386,709**	**165,207,997**	12,386,445	807,348,485
Total	**2,386,709**	**165,207,997**	12,386,445	807,348,485

19 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	**420,561**	**29,111,232**	425,154	27,711,538
Staff welfare expenses	**147**	**10,175**	783	51,036
Total	**420,708**	**29,121,407**	425,937	27,762,574

20 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Asset retirement expense	**59,768**	**4,137,141**	-	-
Auditors remuneration	**8,144**	**563,728**	9,034	588,836
Communication expenses	**11,819**	**818,111**	12,732	829,872
Entertainment expenses	**643**	**44,508**	430	28,027
Exchange loss -Net	-	-	123,125	8,025,288
Insurance expenses	**18,160**	**1,257,035**	18,344	1,195,662
IT consumables	**150**	**10,383**	705	45,952
Legal and professional fees	**39,712**	**2,748,865**	17,293	1,127,158
Miscellaneous expenses	**3,091**	**213,957**	1,756	114,456
Printing and stationery	**1,761**	**121,896**	2,013	131,204
Provision for doubtful debts	-	-	201	13,101
Recruitment expenses	-	-	8,056	525,090
Relocation Expense	-	-	13,043	850,143
Rent	**22,476**	**1,555,789**	22,476	1,464,986
Repairs and Maintenance - Plant & Machinery	**33,914,081**	**2,347,532,687**	28,403,798	1,851,359,554
Repairs and Maintenance -Building	**2,592**	**179,418**	2,592	168,947
Services rendered by agencies	**102,930**	**7,124,815**	126,459	8,242,598
Bad debts written off	-	-	-	-
Travelling and conveyance expenses	**21,439**	**1,484,008**	46,309	3,018,421
Total	**34,206,766**	**2,367,792,341**	28,808,366	1,877,729,295

21 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	**37,690,231**	**2,608,917,790**	31,923,868	2,080,797,716
Guarantee fees	**2,715,994**	**188,001,105**	2,616,713	170,557,353
Total	**40,406,225**	**2,796,918,895**	34,540,581	2,251,355,069

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021, India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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.

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Place Mumbai
Date: 06 MAY 2019

Tata Communications (Canada) LTD.

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**27,294,744**	**1,889,342,181**	29,958,635	1,952,703,830
	Capital work-in-progress		**1,436,879**	**99,460,764**	2,035,242	132,657,074
	Other intangible assets	2	**12,185,907**	**843,508,482**	10,398,275	677,759,565
	Intangible assets under development		**1,412,647**	**97,783,425**	1,140,493	74,337,334
	Financial assets					
	(i) Other financial assets	3	**2,441**	**168,966**	2,610	170,120
	Non current tax asset		-	-	1,087,630	70,891,723
	Other non-current assets	4	**7,647,229**	**529,341,192**	13,913,054	906,852,860
			49,979,847	**3,459,605,010**	58,535,939	3,815,372,506
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	5	**27,769,876**	**1,922,230,816**	50,632,220	3,300,208,100
	(ii) Cash and cash equivalent	6	**527,848**	**36,537,639**	432,723	28,204,885
	(iii) Other financial assets	7	**3,283,972**	**227,316,541**	3,674,844	239,526,332
	Other current assets	8	**1,728,073**	**119,617,213**	2,039,990	132,966,548
			33,309,769	**2,305,702,209**	56,779,777	3,700,905,865
(3)	**Assets Classified as held for sale**		-	-	571,293	37,236,878
	TOTAL ASSETS		**83,289,616**	**5,765,307,219**	115,887,009	7,553,515,249
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	9	**73,520,000**	**5,089,054,400**	66,520,000	4,335,773,600
	Other equity	10	**(315,503,819)**	**(21,839,174,352)**	(294,217,977)	(19,177,127,740)
	Total Equity		**(241,983,819)**	**(16,750,119,952)**	(227,697,977)	(14,841,354,140)
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Borrowings	11	**100,000,000**	**6,922,000,000**	100,000,000	6,518,000,000
	(ii) Other financial liabilities	12	**403,772**	**27,949,098**	643,467	41,941,179
	Provisions	13	**821,929**	**56,893,926**	996,149	64,928,992
	Other non current liabilities (Deferred revenue)		**1,208,126**	**83,626,482**	497,082	32,399,805
			102,433,827	7,090,469,506	102,136,698	6,657,269,976
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	14	**125,745,852**	**8,704,127,875**	123,541,614	8,052,442,401
	(ii) Trade payables	15	**89,536,867**	**6,197,741,934**	106,879,589	6,966,411,611
	(iii) Other financial liabilities	16	**1,630,641**	**112,872,970**	3,613,506	235,528,322
	Other current liabilities	17	**4,037,001**	**279,441,208**	6,497,093	423,480,522
	Provisions	18	**677,926**	**46,926,038**	916,486	59,736,557
	Current tax liabilities (Net)		**1,211,321**	**83,847,640**	-	-
			222,839,608	**15,424,957,665**	241,448,288	15,737,599,413
	TOTAL EQUITY AND LIABILITIES		**83,289,616**	**5,765,307,219**	115,887,009	7,553,515,249

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Tata Communications (Canada) LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	CONTINUED OPERATIONS					
i	Revenue from telecommunications services	19	**249,398,196**	**17,263,343,127**	379,221,921	24,717,684,811
ii	Other Income	20	**10,596,046**	**733,458,304**	3,689,778	240,499,730
iii	**Total income (i + ii)**		**259,994,242**	**17,996,801,431**	382,911,699	24,958,184,541
iv	**Expenses:**					
	Network and transmission expenses	21	**215,713,603**	**14,931,695,599**	322,348,514	21,010,676,143
	Employee benefits expenses	22	**21,859,100**	**1,513,086,902**	26,833,596	1,749,013,788
	Operating and other expenses	23	**15,719,786**	**1,088,123,588**	33,014,447	2,151,881,653
	Finance costs	24	**11,042,192**	**764,340,530**	10,019,286	653,057,062
	Depreciation and amortisation expenses		**8,859,103**	**613,227,110**	8,954,195	583,634,430
	Total expenses		273,193,784	18,910,473,729	401,170,038	26,148,263,076
v	**Profit / (loss) before exceptional items and taxes (iii - iv)**		**(13,199,542)**	**(913,672,298)**	(18,258,339)	(1,190,078,535)
vi	**Exceptional items (income / expenses):**					
	Staff cost optimisation		**(633,868)**	**(43,876,343)**	(2,826,071)	(184,203,308)
vii	**Profit / (loss) before taxes**		**(13,833,410)**	**(957,548,641)**	(21,084,410)	(1,374,281,843)
viiii	**Tax expenses**					
	(i) Current tax expense/(benefit)		**2,325,000**	**160,936,500**	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		**2,325,000**	**160,936,500**	-	-
ix	**Profit / (loss) for the year (vii-viii)**		**(16,158,410)**	**(1,118,485,141)**	(21,084,410)	(1,374,281,843)

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Land	**7,380,000**	**510,843,600**	7,750,000	505,145,000
Building	**6,542,676**	**452,884,033**	6,925,865	451,427,881
Lease hold improvement	**3,572,299**	**247,274,537**	3,572,299	232,842,449
Cables	**86,152**	**5,963,441**	86,152	5,615,387
Plant and machinery	**67,974,884**	**4,705,221,470**	76,650,033	4,996,049,151
Furniture and fixtures	**3,498,149**	**242,141,874**	5,295,494	345,160,299
Computers	**10,977,839**	**759,886,016**	15,774,072	1,028,154,013
Office equipment	**1,096,799**	**75,920,427**	1,403,864	91,503,856
(a)	**101,128,798**	**7,000,135,398**	117,457,779	7,655,898,036
Accumulated depreciation:				
Land	-	-	-	-
Building	**3,253,652**	**225,217,791**	3,137,868	204,526,236
Lease hold improvement	**2,847,992**	**197,138,006**	2,454,346	159,974,272
Cables	**63,866**	**4,420,805**	60,153	3,920,773
Plant and machinery	**54,117,219**	**3,745,993,899**	61,909,318	4,035,249,347
Furniture and fixtures	**2,228,097**	**154,228,874**	3,697,495	241,002,724
Computers	**10,696,377**	**740,403,216**	15,435,966	1,006,116,264
Office equipment	**626,851**	**43,390,626**	803,998	52,404,590
(b)	**73,834,054**	**5,110,793,217**	87,499,144	5,703,194,206
Net block (a) - (b)	**27,294,744**	**1,889,342,181**	29,958,635	1,952,703,830

2 Other intangible assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Computer software	**84,423,483**	**5,843,793,493**	80,281,798	5,232,767,594
(a)	**84,423,483**	**5,843,793,493**	80,281,798	5,232,767,594
Accumulated amortisation:				
Computer software	**72,237,576**	**5,000,285,011**	69,883,523	4,555,008,029
(b)	**72,237,576**	**5,000,285,011**	69,883,523	4,555,008,029
Net block (a) - (b)	**12,185,907**	**843,508,482**	10,398,275	677,759,565

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Vendor deposits	**2,441**	**168,966**	2,610	170,120
Total	**2,441**	**168,966**	2,610	170,120

4 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	**1,800,398**	**124,623,550**	2,123,949	138,438,996
Prepaid pension asset	**5,846,831**	**404,717,642**	11,789,105	768,413,864
Total	**7,647,229**	**529,341,192**	13,913,054	906,852,860

5 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	**30,160,506**	**2,087,710,225**	48,127,660	3,136,960,879
Intercompany receivables	**170,264**	**11,785,674**	5,187,442	338,117,470
Provision for doubtful debts	**(2,560,894)**	**(177,265,083)**	(2,682,882)	(174,870,249)
Total	**27,769,876**	**1,922,230,816**	50,632,220	3,300,208,100

6 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	**527,848**	**36,537,639**	432,723	28,204,885
Total	**527,848**	**36,537,639**	432,723	28,204,885

7 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Security Deposit	**9,179**	**635,370**	9,179	598,287
Interest Receivable	**262,459**	**18,167,412**	263,884	17,199,959
Others	**3,012,334**	**208,513,759**	3,401,781	221,728,086
Total	**3,283,972**	**227,316,541**	3,674,844	239,526,332

8 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	**46,733**	**3,234,858**	24,313	1,584,721
Advances to employees	**124,789**	**8,637,895**	108,725	7,086,696
Other Advances	**2**	**138**	2	130
Prepaid expenses	**1,411,518**	**97,705,276**	1,578,265	102,871,313
Indirect tax receivable	**145,031**	**10,039,046**	328,685	21,423,688
Total	**1,728,073**	**119,617,213**	2,039,990	132,966,548

9 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	**73,520,000**	**5,089,054,400**	66,520,000	4,335,773,600
Total	**73,520,000**	**5,089,054,400**	66,520,000	4,335,773,600

10 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(264,560,330)**	**(18,312,866,043)**	(243,475,920)	(15,869,760,466)
Profit / (loss) for the year	**(16,158,410)**	**(1,118,485,141)**	(21,084,410)	(1,374,281,843)
Closing balance	**(280,718,740)**	**(19,431,351,184)**	(264,560,330)	(17,244,042,309)
OCI Reserves Employee Benefit Plan	**(34,785,079)**	**(2,407,823,168)**	(29,657,647)	(1,933,085,431)
Total	**(315,503,819)**	**(21,839,174,352)**	(294,217,977)	(19,177,127,740)

11 Non-current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Loan from banks	**100,000,000**	**6,922,000,000**	100,000,000	6,518,000,000
Total	**100,000,000**	**6,922,000,000**	100,000,000	6,518,000,000

12 Non-current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Lease equalisation	**403,772**	**27,949,098**	643,467	41,941,179
Total	**403,772**	**27,949,098**	643,467	41,941,179

13 Non-current liabilities - provisions

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Asset retirement obligation and others	**395,745**	**27,393,469**	379,583	24,741,220
Pension liablity	**261,298**	**18,087,048**	445,002	29,005,230
Retention liability	**164,886**	**11,413,409**	171,564	11,182,542
Total	**821,929**	**56,893,926**	996,149	64,928,992

14 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Loan from bank	**50,000,000**	**3,461,000,000**	50,000,000	3,259,000,000
Inter company loans taken	**75,745,852**	**5,243,127,875**	73,541,614	4,793,442,401
Total	**125,745,852**	**8,704,127,875**	123,541,614	8,052,442,401

15 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	**89,536,867**	**6,197,741,934**	106,879,589	6,966,411,611
Total	**89,536,867**	**6,197,741,934**	106,879,589	6,966,411,611

16 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deposit from customers and contractors	**845,423**	**58,520,180**	1,261,399	82,217,987
Interest accrued but not due	**742,340**	**51,384,775**	1,636,753	106,683,561
Others	**42,878**	**2,968,015**	715,354	46,626,774
Total	**1,630,641**	**112,872,970**	3,613,506	235,528,322

17 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	**598,338**	**41,416,956**	184,383	12,018,084
Other Employee dues	**2,970,870**	**205,643,621**	5,965,233	388,813,887
Other Statutory dues	**432,084**	**29,908,854**	338,546	22,066,428
Others	**35,709**	**2,471,777**	8,931	582,123
Total	**4,037,001**	**279,441,208**	6,497,093	423,480,522

18 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	**677,926**	**46,926,038**	916,486	59,736,557
Total	**677,926**	**46,926,038**	916,486	59,736,557

19 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	**249,398,196**	**17,263,343,127**	379,221,921	24,717,684,811
Total	**249,398,196**	**17,263,343,127**	379,221,921	24,717,684,811

20 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest income - others	**5,927**	**410,267**	2,694	175,595
Interest on loan to subsidiaries	**214,013**	**14,813,980**	811,337	52,882,946
Profit on sale of fixed assets	**97,063**	**6,718,701**	1	65
Exchange gain -Net	**8,682,911**	**601,031,099**	-	-
Miscellaneous income	**1,596,132**	**110,484,257**	2,875,746	187,441,124
Total	**10,596,046**	**733,458,304**	3,689,778	240,499,730

21 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	**215,716,965**	**14,931,928,317**	321,929,860	20,983,388,275
Rent of satellite channels	**(3,362)**	**(232,718)**	418,654	27,287,868
Total	**215,713,603**	**14,931,695,599**	322,348,514	21,010,676,143

22 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	**19,654,293**	**1,360,470,161**	23,409,120	1,525,806,442
Contribution to provident and other funds	**2,041,650**	**141,323,013**	3,154,525	205,611,940
Staff welfare expenses	**163,157**	**11,293,728**	269,951	17,595,406
Total	**21,859,100**	**1,513,086,902**	26,833,596	1,749,013,788

23 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	**501,346**	**34,703,170**	666,198	43,422,786
Auditors remuneration	**21,030**	**1,455,697**	21,726	1,416,101
Communication expenses	**127,610**	**8,833,164**	422,445	27,534,965
Electricity	**1,210,269**	**83,774,820**	1,315,723	85,758,825
Entertainment expenses	**(2,604)**	**(180,249)**	26,933	1,755,493
Exchange loss -Net	-	-	15,758,839	1,027,161,126
Insurance expenses	**162,369**	**11,239,182**	162,471	10,589,860
IT consumables	**(848)**	**(58,699)**	8,756	570,716
Legal and professional fees	**2,976,240**	**206,015,333**	2,688,958	175,266,282
Loss on sale of fixed asset	**81,814**	**5,663,165**	-	-
Miscellaneous expenses	**831,361**	**57,546,810**	683,363	44,541,599
Printing and stationery	**59,429**	**4,113,675**	51,319	3,344,972
Provision for doubtful debts	**(121,988)**	**(8,444,009)**	(49,972)	(3,257,175)
Rates and Taxes	**1,226,709**	**84,912,797**	1,002,920	65,370,326
Recruitment expenses	**68,296**	**4,727,449**	310	20,206
Relocation Expense	**54,527**	**3,774,359**	230,435	15,019,753
Rent	**1,321,304**	**91,460,663**	1,341,207	87,419,872
Repairs and Maintenance - Plant & Machinery	**5,140,395**	**355,818,142**	5,075,953	330,850,617
Repairs and Maintenance -Building	**335,796**	**23,243,799**	501,629	32,696,178
Security charges	**277,403**	**19,201,836**	285,130	18,584,773
Seminars, trainings and conferences	**57,196**	**3,959,107**	78,558	5,120,410
Services rendered by agencies	**887,689**	**61,445,833**	1,369,579	89,269,159
Bad debts written off	-	-	525,045	34,222,433
Travelling and conveyance expenses	**504,443**	**34,917,544**	846,922	55,202,376
Total	**15,719,786**	**1,088,123,588**	33,014,447	2,151,881,653

24 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	**10,477,265**	**725,236,283**	9,502,404	619,366,693
Guarantee fees	**564,927**	**39,104,247**	516,882	33,690,369
Total	**11,042,192**	**764,340,530**	10,019,286	653,057,062

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021, India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 (France) SAS** ("the subsidiary") registered in France as at 31 March 2019 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.

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093, India. T +91 (22) 6191 5555

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.K.

(Vinodkumar Varma)
PARTNER
Membership No. 105545

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Place Mumbai
Date: 06 MAY 2019

Tata Communications (France) SAS

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**26,290,552**	**1,819,832,011**	29,793,639	1,941,949,390
	Capital work-in-progress		**223,670**	**15,482,437**	83,138	5,418,935
	Other intangible assets	2	-	-	4,023	262,219
	Financial assets					
	(i) Loans	3	**6,452,070**	**446,612,285**	1,192,814	77,747,617
	(ii) Other financial assets	4	**561,787**	**38,886,896**	614,920	40,080,486
	Non current tax asset		-	-	73,936	4,819,148
	Other non-current assets	5	**240,863**	**16,672,537**	391,778	25,536,090
			33,768,942	**2,337,486,166**	32,154,248	2,095,813,885
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	6	**7,357,161**	**509,262,684**	10,282,300	670,200,314
	(ii) Cash and cash equivalent	7	**4,563**	**315,851**	-	-
	(iii) Other financial assets	8	**63,132**	**4,369,997**	147,753	9,630,541
	Other current assets	9	**2,059,778**	**142,577,833**	1,063,619	69,326,686
			9,484,634	**656,526,365**	11,493,672	749,157,541
	TOTAL ASSETS		**43,253,576**	**2,994,012,531**	43,647,920	2,844,971,426
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	10	**20,391,358**	**1,411,489,801**	20,391,358	1,329,108,714
	Other equity	11	**(18,311,810)**	**(1,267,543,489)**	(18,677,656)	(1,217,409,618)
	Total Equity		**2,079,548**	**143,946,312**	1,713,702	111,699,096
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Other financial liabilities	12	**257,302**	**17,810,444**	345,799	22,539,179
	Provisions	13	**702,098**	**48,599,224**	662,831	43,203,325
	Other non current liabilities (Deferred revenue)		**22,428,248**	**1,552,483,327**	25,621,166	1,669,987,600
			23,387,648	**1,618,892,995**	26,629,796	1,735,730,104
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	14	**11,011,335**	**762,204,609**	5,913,718	385,456,139
	(ii) Other financial liabilities	15	**88,268**	**6,109,911**	199,061	12,974,796
	Other current liabilities	16	**6,104,128**	**422,527,740**	8,669,950	565,107,341
	Provisions	17	**582,649**	**40,330,964**	521,693	34,003,950
			17,786,380	**1,231,173,224**	15,304,422	997,542,226
	TOTAL EQUITY AND LIABILITIES		**43,253,576**	**2,994,012,531**	43,647,920	2,844,971,426

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

Tata Communications (France) SAS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	18	**43,785,502**	**3,030,832,448**	39,365,191	2,565,823,149
ii	Other Income	19	**505,534**	**34,993,064**	554,033	36,111,871
iii	**Total income (i + ii)**		**44,291,036**	**3,065,825,512**	39,919,224	2,601,935,020
iv	**Expenses:**					
	Network and transmission expenses	20	**26,521,962**	**1,835,850,209**	16,671,499	1,086,648,305
	Employee benefits expenses	21	**8,661,446**	**599,545,292**	10,188,589	664,092,231
	Operating and other expenses	22	**6,330,484**	**438,196,104**	5,040,662	328,550,348
	Finance costs	23	**90,153**	**6,240,391**	101,059	6,587,026
	Depreciation and amortisation expenses		**5,270,226**	**364,805,044**	5,237,579	341,385,399
	Total expenses		**46,874,271**	**3,244,637,040**	37,239,388	2,427,263,309
v	**Profit / (loss) before exceptional items and taxes (iii - iv)**		**(2,583,235)**	**(178,811,528)**	2,679,836	174,671,711
vi	**Exceptional items (income / expenses):**					
	Staff cost optimisation		**3,023,017**	**209,253,237**	(3,223,070)	(210,079,703)
vii	**Profit / (loss) before taxes**		**439,782**	**30,441,709**	(543,234)	(35,407,992)
viii	**Tax expenses**					
	(i) Current tax expense/(benefit)		**73,936**	**5,117,850**	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		**73,936**	**5,117,850**	-	-
ix	**Profit / (loss) for the year (vii-viii)**		**365,846**	**25,323,859**	(543,234)	(35,407,992)

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	**928,190**	**64,249,312**	928,190	60,499,424
Cables	**35,718,341**	**2,472,423,564**	34,520,918	2,250,073,435
Plant and machinery	**36,771,052**	**2,545,292,219**	39,084,639	2,547,536,770
Furniture and fixtures	**33,212**	**2,298,935**	157,669	10,276,865
Computers	**79,416**	**5,497,176**	113,245	7,381,309
Office equipment	**45,435**	**3,145,011**	87,517	5,704,358
(a)	**73,575,646**	**5,092,906,217**	74,892,178	4,881,472,161
Accumulated depreciation:				
Lease hold improvement	**339,974**	**23,533,000**	221,462	14,434,893
Cables	**18,470,246**	**1,278,510,428**	15,966,544	1,040,699,338
Plant and machinery	**28,353,900**	**1,962,656,958**	28,608,819	1,864,722,822
Furniture and fixtures	**15,982**	**1,106,274**	135,079	8,804,449
Computers	**78,701**	**5,447,683**	106,566	6,945,972
Office equipment	**26,291**	**1,819,863**	60,069	3,915,297
(b)	**47,285,094**	**3,273,074,206**	45,098,539	2,939,522,771
Net block (a) - (b)	**26,290,552**	**1,819,832,011**	29,793,639	1,941,949,390

2 Other intangible assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Computer software	**2,047,150**	**141,703,723**	2,094,773	136,537,304
(a)	**2,047,150**	**141,703,723**	2,094,773	136,537,304
Accumulated amortisation:				
Computer software	**2,047,150**	**141,703,723**	2,090,750	136,275,085
(b)	**2,047,150**	**141,703,723**	2,090,750	136,275,085
Net block (a) - (b)	-	-	4,023	262,219

3 Non-current assets - financial assets - loans

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans given	**6,452,070**	**446,612,285**	1,192,814	77,747,617
Total	**6,452,070**	**446,612,285**	1,192,814	77,747,617

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Vendor deposits	**561,787**	**38,886,896**	614,920	40,080,486
Total	**561,787**	**38,886,896**	614,920	40,080,486

5 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	240,863	16,672,537	391,778	25,536,090
Total	240,863	16,672,537	391,778	25,536,090

6 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	7,662,133	530,372,846	7,360,683	479,769,318
Intercompany receivables	-	-	3,140,135	204,673,999
Provision for doubtful debts	(304,972)	(21,110,162)	(218,518)	(14,243,003)
Total	7,357,161	509,262,684	10,282,300	670,200,314

7 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	4,563	315,851	-	-
Total	4,563	315,851	-	-

8 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Security Deposit	2,346	162,390	306	19,945
Advances to employees	-	-	132,625	8,644,498
Interest Receivable	13,999	969,011	10,481	683,152
Others	46,787	3,238,596	4,341	282,946
Total	63,132	4,369,997	147,753	9,630,541

9 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	2,058,213	142,469,504	1,063,619	69,326,686
Others	1,565	108,329	-	-
Total	2,059,778	142,577,833	1,063,619	69,326,686

10 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	20,391,358	1,411,489,801	20,391,358	1,329,108,714
Total	20,391,358	1,411,489,801	20,391,358	1,329,108,714

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

11 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(18,677,656)**	**(1,292,867,348)**	(18,134,422)	(1,182,001,626)
Profit / (loss) for the year	**365,846**	**25,323,859**	(543,234)	(35,407,992)
Total	**(18,311,810)**	**(1,267,543,489)**	(18,677,656)	(1,217,409,618)

12 Non-current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Lease equalisation	**257,302**	**17,810,444**	345,799	22,539,179
Total	**257,302**	**17,810,444**	345,799	22,539,179

13 Non-current liabilities - provisions

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Asset retirement obligation and others	**702,098**	**48,599,224**	662,831	43,203,325
Total	**702,098**	**48,599,224**	662,831	43,203,325

14 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	**7,003,672**	**484,794,176**	5,913,718	385,456,139
Inter Company - Payables	**4,007,663**	**277,410,433**	-	-
Total	**11,011,335**	762,204,609	5,913,718	385,456,139

15 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deposit from customers and contractors	**88,268**	**6,109,911**	65,584	4,274,765
Others	-	-	133,477	8,700,031
Total	**88,268**	**6,109,911**	199,061	12,974,796

16 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	**3,883,234**	**268,797,457**	3,419,879	222,907,713
Other Employee dues	**1,986,808**	**137,526,850**	5,080,900	331,173,062
Other Statutory dues	**234,086**	**16,203,433**	138,818	9,048,157
Others	-	-	30,353	1,978,409
Total	**6,104,128**	**422,527,740**	8,669,950	565,107,341

SIRESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

17 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	582,649	40,330,964	521,693	34,003,950
Total	582,649	40,330,964	521,693	34,003,950

18 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	43,785,502	3,030,832,448	39,365,191	2,565,823,149
Total	43,785,502	3,030,832,448	39,365,191	2,565,823,149

19 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest on loan to subsidiaries	197,680	13,683,410	116,298	7,580,304
Exchange gain -Net	185,398	12,833,250	-	-
Miscellaneous income	122,456	8,476,404	437,735	28,531,567
Total	505,534	34,993,064	554,033	36,111,871

20 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	26,093,256	1,806,175,180	16,366,939	1,066,797,084
Rent of satellite channels	428,706	29,675,029	304,560	19,851,221
Total	26,521,962	1,835,850,209	16,671,499	1,086,648,305

21 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	8,620,229	596,692,251	10,066,423	656,129,451
Staff welfare expenses	41,217	2,853,041	122,166	7,962,780
Total	8,661,446	599,545,292	10,188,589	664,092,231

22 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	96,685	6,692,536	50,957	3,321,377
Auditors remuneration	54,450	3,769,029	54,450	3,549,051
Communication expenses	59,308	4,105,300	69,279	4,515,605
Directors fees	35,423	2,451,980	12,449	811,426
Donations	193	13,359	-	-
Electricity	440,388	30,483,657	354,214	23,087,669
Entertainment expenses	(611)	(42,293)	21,344	1,391,202
Exchange loss -Net	-	-	48,732	3,176,352
Insurance expenses	31,728	2,196,212	23,996	1,564,059
IT consumables	1,302	90,124	3,451	224,936
Legal and professional fees	181,321	12,551,040	311,381	20,295,814
Miscellaneous expenses	421,190	29,154,772	495,523	32,298,187
Printing and stationery	18,749	1,297,805	18,279	1,191,425
Provision for doubtful debts	86,454	5,984,346	(235,517)	(15,350,998)
Rates and Taxes	417,107	28,872,147	338,091	22,036,771
Recruitment expenses	19,241	1,331,862	60,755	3,960,011
Relocation Expense	1,805	124,942	-	-
Rent	619,966	42,914,047	562,294	36,650,323
Repairs and Maintenance - Plant & Machinery	3,321,458	229,911,323	2,268,443	147,857,115
Repairs and Maintenance -Building	10,432	722,103	2,574	167,773
Security charges	637	44,093	1,975	128,731
Seminars, trainings and conferences	8,148	564,005	12,337	804,126
Services rendered by agencies	209,844	14,525,402	113,627	7,406,208
Bad debts written off	-	-	147,282	9,599,841
Travelling and conveyance expenses	295,266	20,438,313	304,746	19,863,344
Total	6,330,484	438,196,104	5,040,662	328,550,348

23 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	84,414	5,843,137	96,070	6,261,843
Guarantee fees	5,739	397,254	4,989	325,183
Total	90,153	6,240,391	101,059	6,587,026

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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.

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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

SURESH SURANA & ASSOCIATES LLP ★ MUMBAI ★ Chartered Accountants

Place Mumbai
Date: 06 MAY 2019

Tata Communications (Guam) LLC

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**3,963,160**	**274,329,934**	4,287,925	279,486,952
	Capital work-in-progress		**-**	**-**	41,254	2,688,936
	Financial assets					
	(i) Loans	2	**17,121,096**	**1,185,122,265**	15,690,299	1,022,693,689
	Deferred tax assets (Net)		**3,018,603**	**208,947,700**	3,101,455	202,152,837
	Non current tax asset		**88,075**	**6,096,552**	132,821	8,657,273
			24,190,934	**1,674,496,451**	23,253,754	1,515,679,687
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	3	**111,745**	**7,734,989**	267,442	17,431,870
	(ii) Other financial assets	4	**410,086**	**28,386,153**	384,531	25,063,731
	Other current assets	5	**520,352**	**36,018,765**	560,419	36,528,110
			1,042,183	**72,139,907**	1,212,392	79,023,711
	TOTAL ASSETS		**25,233,117**	**1,746,636,358**	24,466,146	1,594,703,398
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	-	-	-	-	-
	Other equity	6	**21,203,025**	**1,467,673,390**	19,665,141	1,281,773,893
	Total Equity		**21,203,025**	**1,467,673,390**	19,665,141	1,281,773,893
(2)	**Non-current liabilities**					
	Other non current liabilities (Deferred revenue)		**2,499,521**	**173,016,844**	2,946,455	192,049,937
			2,499,521	**173,016,844**	2,946,455	192,049,937
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	7	**301,385**	**20,861,869**	544,759	35,507,391
	(ii) Other financial liabilities	8	**23,871**	**1,652,351**	13,500	879,930
	Other current liabilities	9	**1,201,759**	**83,185,758**	1,286,433	83,849,703
	Provisions	10	**3,556**	**246,146**	9,858	642,544
			1,530,571	**105,946,124**	1,854,550	120,879,568
	TOTAL EQUITY AND LIABILITIES		**25,233,117**	**1,746,636,358**	24,466,146	1,594,703,398

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

Tata Communications (Guam) LLC

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	11	**4,884,500**	**338,105,090**	5,660,698	368,964,296
ii	Other Income	12	**807,108**	**55,868,016**	755,603	49,250,204
iii	**Total income (i + ii)**		**5,691,608**	**393,973,106**	6,416,301	418,214,500
iv	**Expenses:**					
	Network and transmission expenses	13	**855,071**	**59,188,015**	1,684,884	109,820,739
	Employee benefits expenses	14	**473,541**	**32,778,508**	662,975	43,212,711
	Operating and other expenses	15	**2,104,376**	**145,664,908**	1,843,802	120,179,012
	Depreciation and amortisation expenses		**366,015**	**25,335,558**	354,398	23,099,662
	Total expenses		**3,799,003**	**262,966,989**	4,546,059	296,312,124
v	**Profit / (loss) before taxes (iii - iv)**		**1,892,605**	**131,006,117**	1,870,242	121,902,376
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		**271,869**	**18,818,772**	(778,556)	(50,746,280)
	(ii) Deferred tax expense/(benefit)		**82,852**	**5,735,015**	3,601,066	234,717,482
	Net tax expenses		**354,721**	**24,553,787**	2,822,510	183,971,202
vii	**Profit / (loss) for the year (v-vi)**		**1,537,884**	**106,452,330**	(952,268)	(62,068,826)

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Land	**924,769**	**64,012,510**	924,769	60,276,443
Building	**4,858,882**	**336,331,812**	4,858,882	316,701,929
Cables	**261,966**	**18,133,287**	261,966	17,074,944
Plant and machinery	**2,189,806**	**151,578,371**	2,618,503	170,674,026
Furniture and fixtures	**14,007**	**969,565**	14,007	912,976
Computers	**14,111**	**976,763**	63,105	4,113,184
Office equipment	**220,487**	**15,262,110**	220,490	14,371,538
(a)	**8,484,028**	**587,264,418**	8,961,722	584,125,040
Accumulated depreciation:				
Land	-	-	-	-
Building	**2,651,176**	**183,514,403**	2,454,935	160,012,663
Cables	**79,112**	**5,476,133**	49,934	3,254,698
Plant and machinery	**1,644,058**	**113,801,695**	1,991,898	129,831,912
Furniture and fixtures	**14,007**	**969,565**	14,007	912,976
Computers	**14,111**	**976,763**	63,105	4,113,184
Office equipment	**118,404**	**8,195,925**	99,918	6,512,655
Vehicles	-	-	-	-
(b)	**4,520,868**	**312,934,484**	4,673,797	304,638,088
Net block (a) - (b)	**3,963,160**	**274,329,934**	4,287,925	279,486,952

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans given	**17,121,096**	**1,185,122,265**	15,690,299	1,022,693,689
Total	**17,121,096**	**1,185,122,265**	15,690,299	1,022,693,689

3 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	**112,886**	**7,813,969**	268,583	17,506,240
Provision for doubtful debts	**(1,141)**	**(78,980)**	(1,141)	(74,370)
Total	**111,745**	**7,734,989**	267,442	17,431,870

4 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Interest Receivable	**410,086**	**28,386,153**	384,531	25,063,731
Total	**410,086**	**28,386,153**	384,531	25,063,731

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

5 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	520,352	36,018,765	560,419	36,528,110
Total	520,352	36,018,765	560,419	36,528,110

6 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	19,665,141	1,361,221,060	20,617,409	1,343,842,719
Profit / (loss) for the year	1,537,884	106,452,330	(952,268)	(62,068,826)
Total	21,203,025	1,467,673,390	19,665,141	1,281,773,893

7 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	300,452	20,797,287	133,608	8,708,569
Inter Company - Payables	933	64,582	411,151	26,798,822
Total	301,385	20,861,869	544,759	35,507,391

8 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deposit from customers and contractors	13,000	899,860	13,000	847,340
Others	10,871	752,491	500	32,590
Total	23,871	1,652,351	13,500	879,930

9 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	1,176,955	81,468,825	1,258,179	82,008,107
Other Employee dues	24,804	1,716,933	28,254	1,841,596
Total	1,201,759	83,185,758	1,286,433	83,849,703

10 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	3,556	246,146	9,858	642,544
Total	3,556	246,146	9,858	642,544

11 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	**4,884,500**	**338,105,090**	5,660,698	368,964,296
Total	**4,884,500**	**338,105,090**	5,660,698	368,964,296

12 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest on loan to subsidiaries	**806,994**	**55,860,125**	755,549	49,246,684
Miscellaneous income	**114**	**7,891**	54	3,520
Total	**807,108**	**55,868,016**	755,603	49,250,204

13 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	**855,071**	**59,188,015**	1,684,884	109,820,739
Total	**855,071**	**59,188,015**	1,684,884	109,820,739

14 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	**473,541**	**32,778,508**	662,975	43,212,711
Total	**473,541**	**32,778,508**	662,975	43,212,711

15 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Auditors remuneration	**1,146**	**79,326**	1,149	74,892
Communication expenses	**7,434**	**514,581**	9,612	626,510
Electricity	**545,211**	**37,739,505**	474,882	30,952,809
Exchange loss -Net	**303**	**20,974**	10	652
Insurance expenses	**120,717**	**8,356,031**	105,234	6,859,152
IT consumables	**220**	**15,228**	-	-
Legal and professional fees	**23,860**	**1,651,589**	8,785	572,606
Miscellaneous expenses	**127,956**	**8,857,117**	45,442	2,961,908
Printing and stationery	**531**	**36,756**	479	31,221
Rates and Taxes	**139,301**	**9,642,415**	21,729	1,416,296
Repairs and Maintenance - Plant & Machinery	**1,105,029**	**76,490,107**	1,124,627	73,303,188
Repairs and Maintenance -Building	**16,813**	**1,163,796**	33,365	2,174,731
Services rendered by agencies	**15,855**	**1,097,483**	17,480	1,139,346
Travelling and conveyance expenses	-	-	1,008	65,701
Total	**2,104,376**	**145,664,908**	1,843,802	120,179,012

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 (Hong Kong) Limited** ("the subsidiary") registered in Hong Kong as at 31 March 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Place Mumbai
Date: 06 MAY 2019

Tata Communications (Hong Kong) Limited

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**18,459,495**	**1,277,766,244**	19,517,690	1,272,163,033
	Capital work-in-progress		**331,438**	**22,942,138**	377,146	24,582,376
	Other intangible assets	2	**73,301**	**5,073,895**	74,207	4,836,812
	Investments in subsidiaries & associates	3	**3**	**208**	3	196
	Financial assets					
	(i) Investments -others	4	**65,633**	**4,543,116**	4,521,914	294,738,355
	(ii) Loans	5	**2,147,561**	**148,654,172**	846,456	55,172,002
	(iii) Other financial assets	6	**827,571**	**57,284,465**	887,641	57,856,440
	Other non-current assets	7	**24,334**	**1,684,399**	42,058	2,741,340
			21,929,336	**1,517,948,637**	26,267,115	1,712,090,554
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	8	**8,909,107**	**616,688,387**	8,599,787	560,534,117
	(ii) Cash and cash equivalent	9	**368,042**	**25,475,867**	41,635	2,713,769
	(iii) Other financial assets	10	**238,465**	**16,506,547**	248,361	16,188,170
	Other current assets	11	**841,056**	**58,217,897**	594,482	38,748,337
			10,356,670	**716,888,698**	9,484,265	618,184,393
	TOTAL ASSETS		**32,286,006**	**2,234,837,335**	35,751,380	2,330,274,947
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	12	**8,022,064**	**555,287,270**	8,022,064	522,878,132
	Other equity	13	**(42,437,725)**	**(2,937,539,324)**	(35,965,467)	(2,344,229,141)
	Total Equity		**(34,415,661)**	**(2,382,252,054)**	(27,943,403)	(1,821,351,009)
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Other financial liabilities	14	**58,090**	**4,020,990**	149,834	9,766,180
	Provisions	15	**3,779,212**	**261,597,055**	3,944,410	257,096,644
	Other non current liabilities (Deferred revenue)		**7,004,870**	**484,877,101**	6,571,935	428,358,723
			10,842,172	**750,495,146**	10,666,179	695,221,547
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	16	**37,000,000**	**2,561,140,000**	37,000,000	2,411,660,000
	(ii) Trade payables	17	**13,498,833**	**934,389,220**	10,672,221	695,615,365
	(iii) Other financial liabilities	18	**288,643**	**19,979,869**	529,382	34,505,119
	Other current liabilities	19	**4,756,117**	**329,218,418**	4,464,633	291,004,779
	Provisions	20	**315,902**	**21,866,736**	362,368	23,619,146
			55,859,495	**3,866,594,243**	53,028,604	3,456,404,409
	TOTAL EQUITY AND LIABILITIES		**32,286,006**	**2,234,837,335**	35,751,380	2,330,274,947

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

Tata Communications (Hong Kong) Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	21	**83,131,815**	**5,754,384,234**	72,233,374	4,708,171,317
ii	Other Income	22	**63,394**	**4,388,133**	209,523	13,656,709
iii	**Total income (i + ii)**		**83,195,209**	**5,758,772,367**	72,442,897	4,721,828,026
iv	**Expenses:**					
	Network and transmission expenses	23	**50,812,014**	**3,517,207,609**	44,693,729	2,913,137,256
	Employee benefits expenses	24	**10,894,984**	**754,150,792**	12,368,443	806,175,114
	Operating and other expenses	25	**18,303,707**	**1,266,982,598**	14,389,445	937,904,028
	Finance costs	26	**1,550,626**	**107,334,332**	1,118,942	72,932,639
	Depreciation and amortisation expenses		**3,165,706**	**219,130,169**	3,163,220	206,178,680
	Total expenses		**84,727,037**	**5,864,805,500**	75,733,779	4,936,327,717
v	**Profit before exceptional items and taxes (iii - iv)**		**(1,531,828)**	**(106,033,133)**	(3,290,882)	(214,499,691)
vi	**Exceptional items (income / expenses):**					
	Staff cost optimisation		**(473,957)**	**(32,807,304)**	(257,119)	(16,759,016)
	Impairment of investment		**(4,456,281)**	**(308,463,771)**	(19,245,776)	(1,254,439,680)
vii	**Profit / (loss) before taxes (v - vi)**		**(6,462,066)**	**(447,304,208)**	(22,793,777)	(1,485,698,387)
viii	**Tax expenses**					
	(i) Current tax expense/(benefit)		**10,192**	**705,490**	96,279	6,275,465
	(ii) Deferred tax expense/(benefit)		**-**	**-**	-	-
	Net tax expenses		**10,192**	**705,490**	96,279	6,275,465
ix	**Profit / (loss) for the year (vii-viii)**		**(6,472,258)**	**(448,009,698)**	(22,890,056)	(1,491,973,852)

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Building	**241,622**	**16,725,075**	241,622	15,748,922
Lease hold improvement	**722,363**	**50,001,967**	722,363	47,083,620
Cables	**22,737,493**	**1,573,889,265**	21,709,485	1,415,024,232
Plant and machinery	**19,589,537**	**1,355,987,751**	20,369,219	1,327,665,694
Furniture and fixtures	**34,989**	**2,421,939**	49,636	3,235,274
Computers	**389,485**	**26,960,152**	478,889	31,213,985
Office equipment	**54,392**	**3,765,014**	63,817	4,159,592
(a)	**43,769,881**	**3,029,751,163**	43,635,031	2,844,131,319
Accumulated depreciation:				
Building	**241,622**	**16,725,075**	241,622	15,748,922
Lease hold improvement	**711,093**	**49,221,857**	691,774	45,089,829
Cables	**10,983,805**	**760,298,982**	9,490,157	618,568,433
Plant and machinery	**12,961,145**	**897,170,457**	13,193,518	859,953,503
Furniture and fixtures	**30,949**	**2,142,290**	42,276	2,755,550
Computers	**357,326**	**24,734,106**	429,235	27,977,537
Office equipment	**24,446**	**1,692,152**	28,759	1,874,512
(b)	**25,310,386**	**1,751,984,919**	24,117,341	1,571,968,286
Net block (a) - (b)	**18,459,495**	**1,277,766,244**	19,517,690	1,272,163,033

2 Other intangible assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Computer software	**242,565**	**16,790,349**	219,168	14,285,370
(a)	**242,565**	**16,790,349**	219,168	14,285,370
Accumulated amortisation:				
Computer software	**169,264**	**11,716,454**	144,961	9,448,558
(b)	**169,264**	**11,716,454**	144,961	9,448,558
Net block (a) - (b)	**73,301**	**5,073,895**	74,207	4,836,812

3 Investments in subsidiaries & associates

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Investments in subsidiaries	**3**	**208**	3	196
Total	**3**	**208**	3	196

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

4 Financial asset - Investment others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Investments - others	23,767,690	1,645,199,502	23,767,690	1,549,178,034
Impairment of investment - others	(23,702,057)	(1,640,656,386)	(19,245,776)	(1,254,439,680)
Total	**65,633**	**4,543,116**	4,521,914	294,738,354

5 Non-current assets - financial assets - loans

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans given	2,147,561	148,654,172	846,456	55,172,002
Total	**2,147,561**	**148,654,172**	846,456	55,172,002

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Vendor deposits	827,571	57,284,465	887,641	57,856,440
Total	**827,571**	**57,284,465**	887,641	57,856,440

7 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	24,334	1,684,399	42,058	2,741,340
Total	**24,334**	**1,684,399**	42,058	2,741,340

8 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	6,568,785	454,691,298	7,028,054	458,088,560
Intercompany receivables	3,139,972	217,348,862	1,826,001	119,018,745
Provision for doubtful debts	(799,650)	(55,351,773)	(254,268)	(16,573,188)
Total	**8,909,107**	**616,688,387**	8,599,787	560,534,117

9 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	368,042	25,475,867	41,635	2,713,769
Total	**368,042**	**25,475,867**	41,635	2,713,769

10 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Security Deposit	**65,996**	**4,568,243**	21,470	1,399,415
Advances to employees	**171,646**	**11,881,336**	202,069	13,170,857
Interest Receivable	**-**	**-**	24,822	1,617,898
Others	**823**	**56,968**	-	-
Total	**238,465**	**16,506,547**	248,361	16,188,170

11 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Other Advances	**867**	**60,014**	531	34,611
Prepaid expenses	**840,189**	**58,157,883**	593,854	38,707,404
Others	**-**	**-**	97	6,322
Total	**841,056**	**58,217,897**	594,482	38,748,337

12 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	**8,022,064**	**555,287,270**	8,022,064	522,878,132
Total	**8,022,064**	**555,287,270**	8,022,064	522,878,132

13 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(35,965,467)**	**(2,489,529,626)**	(13,075,411)	(852,255,289)
Profit / (loss) for the year	**(6,472,258)**	**(448,009,698)**	(22,890,056)	(1,491,973,852)
Total	**(42,437,725)**	**(2,937,539,324)**	(35,965,467)	(2,344,229,141)

14 Non-current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Lease equalisation	**58,090**	**4,020,990**	149,834	9,766,180
Total	**58,090**	**4,020,990**	149,834	9,766,180

15 Non-current liabilities - provisions

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Asset retirement obligation and others	**3,236,827**	**224,053,165**	3,103,707	202,299,622
Provision for gratuity	**290,623**	**20,116,924**	448,781	29,251,546
Retention liability	**251,762**	**17,426,966**	391,922	25,545,476
Total	**3,779,212**	**261,597,055**	3,944,410	257,096,644

16 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Loan from bank	**37,000,000**	**2,561,140,000**	37,000,000	2,411,660,000
Total	**37,000,000**	**2,561,140,000**	37,000,000	2,411,660,000

17 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	**13,498,833**	**934,389,220**	10,672,221	695,615,365
Total	**13,498,833**	**934,389,220**	10,672,221	695,615,365

18 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deposit from customers and contractors	**248,095**	**17,173,136**	255,144	16,630,286
Interest accrued but not due	**40,548**	**2,806,733**	30,161	1,965,894
Others	**-**	**-**	244,077	15,908,939
Total	**288,643**	**19,979,869**	529,382	34,505,119

19 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	**2,212,015**	**153,115,678**	1,864,523	121,529,609
Other Employee dues	**2,516,065**	**174,162,019**	2,600,110	169,475,170
Others	**28,037**	**1,940,721**	-	-
Total	**4,756,117**	**329,218,418**	4,464,633	291,004,779

20 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	**315,902**	**21,866,736**	362,368	23,619,146
Total	**315,902**	**21,866,736**	362,368	23,619,146

21 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	**83,131,815**	**5,754,384,234**	72,233,374	4,708,171,317
Total	**83,131,815**	**5,754,384,234**	72,233,374	4,708,171,317

22 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest on loan to subsidiaries	**15,846**	**1,096,860**	64,788	4,222,882
Miscellaneous income	**47,548**	**3,291,273**	144,735	9,433,827
Total	**63,394**	**4,388,133**	209,523	13,656,709

23 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	**50,812,014**	**3,517,207,609**	44,693,729	2,913,137,256
Total	**50,812,014**	**3,517,207,609**	44,693,729	2,913,137,256

24 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	**10,720,932**	**742,102,913**	12,208,706	795,763,457
Contribution to provident and other funds	**55,973**	**3,874,451**	78,929	5,144,592
Staff welfare expenses	**118,079**	**8,173,428**	80,808	5,267,065
Total	**10,894,984**	**754,150,792**	12,368,443	806,175,114

25 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	**20,573**	**1,424,063**	(1,739)	(113,348)
Auditors remuneration	**21,870**	**1,513,841**	21,850	1,424,183
Communication expenses	**303,659**	**21,019,276**	255,473	16,651,730
CSR expenses	**1,486**	**102,861**	610	39,760
Electricity	**1,250,748**	**86,576,777**	995,793	64,905,788
Entertainment expenses	**47,946**	**3,318,822**	76,856	5,009,474
Exchange loss -Net	**69,943**	**4,841,454**	45,967	2,996,129
Insurance expenses	**21,465**	**1,485,807**	24,921	1,624,351
IT consumables	**837**	**57,937**	10,815	704,922
Legal and professional fees	**11,979,749**	**829,238,226**	9,054,056	590,143,370
Miscellaneous expenses	**61,023**	**4,224,013**	48,671	3,172,379
Printing and stationery	**116,098**	**8,036,304**	76,037	4,956,092
Provision for doubtful debts	**545,382**	**37,751,342**	(65,897)	(4,295,166)
Rates and Taxes	**56,188**	**3,889,333**	42,416	2,764,675
Recruitment expenses	**53,614**	**3,711,161**	105,980	6,907,776
Relocation Expense	**4,420**	**305,952**	21,369	1,392,831
Rent	**1,576,182**	**109,103,318**	1,475,901	96,199,227
Repairs and Maintenance - Plant & Machinery	**881,824**	**61,039,857**	786,279	51,249,665
Repairs and Maintenance -Building	**1,364**	**94,416**	-	-
Security charges	-	-	769	50,123
Seminars, trainings and conferences	**19,740**	**1,366,403**	22,921	1,493,991
Services rendered by agencies	**504,260**	**34,904,877**	506,386	33,006,239
Bad debts written off	-	-	136,022	8,865,914
Travelling and conveyance expenses	**765,336**	**52,976,558**	747,989	48,753,923
Total	**18,303,707**	**1,266,982,598**	14,389,445	937,904,028

26 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	**1,399,086**	**96,844,733**	1,011,546	65,932,568
Guarantee fees	**151,540**	**10,489,599**	107,396	7,000,071
Total	**1,550,626**	**107,334,332**	1,118,942	72,932,639

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 (Hungary) LLC** ("the subsidiary") registered in Hungary as at 31 March 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Place Mumbai
Date: 06 MAY 2019

Tata Communications (Hungary) LLC

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**143,306**	**9,919,641**	117,700	7,671,686
	Capital work-in-progress		**39,068**	**2,704,287**	11,970	780,205
	Other non-current assets	2	**8,220**	**568,988**	1,656	107,938
			190,594	**13,192,916**	131,326	8,559,829
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	3	**407,633**	**28,216,356**	287,426	18,734,427
	(ii) Cash and cash equivalent	4	**353,840**	**24,492,805**	825,946	53,835,160
	(iii) Other financial assets	5	**4,688**	**324,503**	1,786	116,411
	Other current assets	6	**89,585**	**6,201,074**	43,446	2,831,810
			855,746	**59,234,738**	1,158,604	75,517,808
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	7	**870,623**	**60,264,524**	870,623	56,747,207
	Other equity	8	**(136,153)**	**(9,424,511)**	(148,842)	(9,701,522)
	Total Equity		**734,470**	**50,840,013**	721,781	47,045,685
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	9	**30,615**	**2,119,170**	363,117	23,667,966
	(ii) Trade payables	10	**267,786**	**18,536,147**	172,222	11,225,430
	(iii) Other financial liabilities	11	**137**	**9,483**	25,723	1,676,625
	Other current liabilities	12	**1,831**	**126,742**	-	-
	Current tax liabilities (Net)		**11,501**	**796,099**	7,087	461,931
			311,870	**21,587,641**	568,149	37,031,952
	TOTAL EQUITY AND LIABILITIES		**1,046,340**	**72,427,654**	1,289,930	84,077,637

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

Tata Communications (Hungary) LLC

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	13	**1,546,796**	**107,069,219**	1,738,711	113,329,183
ii	Other Income	14	**25,585**	**1,770,994**	-	-
iii	**Total income (i + ii)**		**1,572,381**	**108,840,213**	1,738,711	113,329,183
iv	**Expenses:**					
	Network and transmission expenses	15	**1,222,719**	**84,636,609**	1,509,279	98,374,805
	Operating and other expenses	16	**294,388**	**20,377,538**	199,013	12,971,669
	Finance costs	17	**6,694**	**463,359**	42,836	2,792,050
	Depreciation and amortisation expenses		**27,543**	**1,906,526**	26,066	1,698,982
	Total expenses		**1,551,344**	**107,384,032**	1,777,194	115,837,506
v	**Profit / (loss) before taxes (iii - iv)**		**21,037**	**1,456,181**	(38,483)	(2,508,323)
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		**8,348**	**577,849**	2,680	174,682
	(ii) Deferred tax expense/(benefit)		**-**	**-**	-	-
	Net tax expenses		**8,348**	**577,849**	2,680	174,682
vii	**Profit / (loss) for the year (v-vi)**		**12,689**	**878,332**	(41,163)	(2,683,005)

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**448,332**	**31,033,541**	395,791	25,797,657
(a)	**448,332**	**31,033,541**	395,791	25,797,657
Accumulated depreciation:				
Plant and machinery	**305,026**	**21,113,900**	278,091	18,125,971
(b)	**305,026**	**21,113,900**	278,091	18,125,971
Net block (a) - (b)	**143,306**	**9,919,641**	117,700	7,671,686

2 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	**8,220**	**568,988**	1,656	107,938
Total	**8,220**	**568,988**	1,656	107,938

3 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	**48,849**	**3,381,328**	83,317	5,430,602
Intercompany receivables	**358,784**	**24,835,028**	204,109	13,303,825
Total	**407,633**	**28,216,356**	287,426	18,734,427

4 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	**353,840**	**24,492,805**	825,946	53,835,160
Total	**353,840**	**24,492,805**	825,946	53,835,160

5 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Interest Receivable	**2,678**	**185,371**	-	-
Others	**2,010**	**139,132**	1,786	116,411
Total	**4,688**	**324,503**	1,786	116,411

6 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	-	-	17,438	1,136,609
Prepaid expenses	26,136	1,809,134	5,730	373,481
Indirect tax receivable	63,449	4,391,940	20,278	1,321,720
Total	**89,585**	**6,201,074**	43,446	2,831,810

7 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	870,623	60,264,524	870,623	56,747,207
Total	**870,623**	**60,264,524**	870,623	56,747,207

8 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(148,842)	(10,302,843)	(107,679)	(7,018,517)
Profit / (loss) for the year	12,689	878,332	(41,163)	(2,683,005)
Total	**(136,153)**	**(9,424,511)**	(148,842)	(9,701,522)

9 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans taken	30,615	2,119,170	363,117	23,667,966
Total	**30,615**	**2,119,170**	363,117	23,667,966

10 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	267,786	18,536,147	172,222	11,225,430
Total	**267,786**	**18,536,147**	172,222	11,225,430

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

11 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Interest accrued but not due	137	9,483	22,632	1,475,154
Others	-	-	3,091	201,471
Total	**137**	**9,483**	25,723	1,676,625

12 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	1,831	126,742	-	-
Total	**1,831**	**126,742**	-	-

13 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	1,546,796	107,069,219	1,738,711	113,329,183
Total	**1,546,796**	**107,069,219**	1,738,711	113,329,183

14 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest on loan to subsidiaries	3,073	212,713	-	-
Miscellaneous income	22,512	1,558,281	-	-
Total	**25,585**	**1,770,994**	-	-

15 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	1,222,719	84,636,609	1,509,279	98,374,805
Total	**1,222,719**	**84,636,609**	1,509,279	98,374,805

16 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	2,214	153,253	(18,526)	(1,207,525)
Auditors remuneration	12,100	837,562	-	-
Communication expenses	1,797	124,388	114	7,431
Electricity	4,840	335,025	6,887	448,895
Exchange loss -Net	51,654	3,575,490	76,958	5,016,122
Insurance expenses	2,763	191,255	2,188	142,614
Legal and professional fees	51,260	3,548,217	37,728	2,459,111
Miscellaneous expenses	4,094	283,388	2,403	156,628
Rates and Taxes	43,628	3,019,930	45,643	2,975,011
Repairs and Maintenance - Plant & Machinery	107,836	7,464,408	42,403	2,763,828
Services rendered by agencies	4,170	288,647	428	27,897
Travelling and conveyance expenses	8,032	555,975	2,787	181,657
Total	294,388	20,377,538	199,013	12,971,669

17 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	5,807	401,961	40,208	2,620,757
Guarantee fees	887	61,398	2,628	171,293
Total	6,694	463,359	42,836	2,792,050

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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: 06 MAY 2019

Tata Communications (Ireland) Ltd.

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**941,858**	**65,195,411**	548,846	35,773,782
	Capital work-in-progress		**7,833**	**542,200**	366,564	23,892,642
	Financial assets					
	(i) Other financial assets	2	**778**	**53,853**	-	-
	Deferred tax assets (Net)		**28,462**	**1,970,140**	29,263	1,907,362
	Other non-current assets	3	**12,650**	**875,633**	6,305	410,960
			991,581	**68,637,237**	950,978	61,984,746
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	4	**1,319,641**	**91,345,550**	2,258,609	147,216,135
	(ii) Cash and cash equivalent	5	**-**	**-**	3	196
	(iii) Other financial assets	6	**8,216**	**568,712**	-	-
	Other current assets	7	**56,686**	**3,923,805**	36,907	2,405,598
			1,384,543	**95,838,067**	2,295,519	149,621,929
	TOTAL ASSETS		**2,376,124**	**164,475,304**	3,246,497	211,606,675
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	8	**1**	**69**	1	65
	Other equity	9	**102,578**	**7,100,450**	22,150	1,443,738
	Total Equity		**102,579**	**7,100,519**	22,151	1,443,803
(2)	**Non-current liabilities**					
	Other non current liabilities (Deferred revenue)		**88,078**	**6,096,759**	275,504	17,957,351
			88,078	**6,096,759**	275,504	17,957,351
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	10	**183,746**	**12,718,898**	1,606,536	104,714,016
	(ii) Trade payables	11	**1,495,598**	**103,525,293**	836,389	54,515,835
	(iii) Other financial liabilities	12	**26,806**	**1,855,512**	184,186	12,005,243
	Other current liabilities	13	**473,003**	**32,741,268**	320,660	20,900,619
	Current tax liabilities (Net)		**6,314**	**437,055**	1,071	69,808
			2,185,467	**151,278,026**	2,948,842	192,205,521
	TOTAL EQUITY AND LIABILITIES		**2,376,124**	**164,475,304**	3,246,497	211,606,675

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

Tata Communications (Ireland) Ltd.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	14	**7,055,820**	**488,403,860**	3,308,153	215,625,413
ii	Other Income	15	**11,239**	**777,963**	-	-
iii	**Total income (i + ii)**		**7,067,059**	**489,181,823**	3,308,153	215,625,413
iv	**Expenses:**					
	Network and transmission expenses	16	**5,825,188**	**403,219,513**	2,585,681	168,534,688
	Employee benefits expenses	17	**(274)**	**(18,966)**	49,816	3,247,007
	Operating and other expenses	18	**969,148**	**67,084,423**	463,259	30,195,220
	Finance costs	19	**23,054**	**1,595,798**	53,216	3,468,619
	Depreciation and amortisation expenses		**163,471**	**11,315,463**	89,285	5,819,596
	Total expenses		**6,980,587**	**483,196,231**	3,241,257	211,265,130
v	**Profit / (loss) before taxes (iii -iv)**		**86,472**	**5,985,592**	66,896	4,360,283
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		**5,243**	**362,920**	498	32,460
	(ii) Deferred tax expense/(benefit)		**801**	**55,445**	(10,339)	(673,896)
	Net tax expenses		**6,044**	**418,365**	(9,841)	(641,436)
vii	**Profit / (loss) for the year (v-vi)**		**80,428**	**5,567,227**	76,737	5,001,719

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**1,551,467**	**107,392,546**	1,005,724	65,553,090
Computers	**2,751**	**190,424**	2,751	179,310
(a)	**1,554,218**	**107,582,970**	1,008,475	65,732,400
Accumulated depreciation:				
Plant and machinery	**609,609**	**42,197,135**	456,878	29,779,308
Computers	**2,751**	**190,424**	2,751	179,310
(b)	**612,360**	**42,387,559**	459,629	29,958,618
Net block (a) - (b)	**941,858**	**65,195,411**	548,846	35,773,782

2 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Vendor deposits	**778**	**53,853**	-	-
Total	**778**	**53,853**	-	-

3 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	**12,650**	**875,633**	6,305	410,960
Total	**12,650**	**875,633**	6,305	410,960

4 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	**1,328,069**	**91,928,936**	2,263,064	147,506,512
Provision for doubtful debts	**(8,428)**	**(583,386)**	(4,455)	(290,377)
Total	**1,319,641**	**91,345,550**	2,258,609	147,216,135

5 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Cash in hand	-	-	3	196
Total	-	-	3	196

6 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Interest Receivable	8,216	568,712	-	-
Total	**8,216**	**568,712**	-	-

7 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	56,686	3,923,805	36,907	2,405,598
Total	**56,686**	**3,923,805**	36,907	2,405,598

8 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	1	69	1	65
Total	**1**	**69**	1	65

9 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	22,150	1,533,223	(54,587)	(3,557,981)
Profit / (loss) for the year	80,428	5,567,227	76,737	5,001,719
Total	**102,578**	**7,100,450**	22,150	1,443,738

10 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans taken	183,746	12,718,898	1,606,536	104,714,016
Total	**183,746**	**12,718,898**	1,606,536	104,714,016

11 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	621,779	43,039,542	345,043	22,489,903
Inter Company - Payables	873,819	60,485,751	491,346	32,025,932
Total	**1,495,598**	**103,525,293**	836,389	54,515,835

12 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deposit from customers and contractors	20,348	1,408,489	7,385	481,354
Interest accrued but not due	4,663	322,773	29,954	1,952,402
Others	1,795	124,250	146,847	9,571,487
Total	**26,806**	**1,855,512**	184,186	12,005,243

13 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	445,996	30,871,843	280,533	18,285,141
Other Statutory dues	27,007	1,869,425	40,127	2,615,478
Total	**473,003**	**32,741,268**	320,660	20,900,619

14 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	7,055,820	488,403,860	3,308,153	215,625,413
Total	**7,055,820**	**488,403,860**	3,308,153	215,625,413

15 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest on loan to subsidiaries	11,228	777,202	-	-
Miscellaneous income	11	761	-	-
Total	**11,239**	777,963	-	-

16 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	5,825,188	403,219,513	2,585,681	168,534,688
Total	**5,825,188**	**403,219,513**	2,585,681	168,534,688

17 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Staff welfare expenses	(274)	(18,966)	49,816	3,247,007
Total	**(274)**	**(18,966)**	49,816	3,247,007

18 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	79,339	5,491,846	138,906	9,053,893
Auditors remuneration	12,100	837,562	12,100	788,678
Communication expenses	1,224	84,725	278	18,120
Electricity	19,760	1,367,787	9,467	617,059
Exchange loss -Net	182,094	12,604,547	112,114	7,307,591
Insurance expenses	3,915	270,996	2,330	151,869
Legal and professional fees	102,122	7,068,885	68,540	4,467,437
Miscellaneous expenses	71,200	4,928,463	54,057	3,523,434
Provision for doubtful debts	3,973	275,011	4,455	290,377
Repairs and Maintenance - Plant & Machinery	468,706	32,443,829	50,413	3,285,919
Services rendered by agencies	24,715	1,710,772	10,564	688,562
Travelling and conveyance expenses	-	-	35	2,281
Total	**969,148**	**67,084,423**	463,259	30,195,220

19 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	20,718	1,434,100	49,676	3,237,882
Guarantee fees	2,336	161,698	3,540	230,737
Total	**23,054**	**1,595,798**	53,216	3,468,619

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021, India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 (Italy) srl** ("the subsidiary") registered in Italy as at 31 March 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093, India. T +91 (22) 6191 5555

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

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Place Mumbai
Date: 06 MAY 2019

Tata Communications (Italy) srl

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**572,248**	**39,611,006**	368,761	24,035,841
	Capital work-in-progress		**25,382**	**1,756,942**	46,983	3,062,352
	Non current tax asset		**393,979**	**27,271,226**	271,113	17,671,145
	Other non-current assets	2	**17,941**	**1,241,876**	2,960	192,933
			1,009,550	**69,881,050**	689,817	44,962,271
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	3	**2,777,518**	**192,259,795**	1,568,842	102,257,121
	(ii) Cash and cash equivalent	4	**-**	**-**	12,176	793,632
	(iii) Other financial assets	5	**45,654**	**3,160,169**	32,437	2,114,244
	Other current assets	6	**5,184,364**	**358,861,676**	5,185,606	337,997,798
			8,007,536	**554,281,640**	6,799,061	443,162,795
	TOTAL ASSETS		**9,017,086**	**624,162,690**	7,488,878	488,125,066
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	7	**6,597,490**	**456,678,258**	6,016,835	392,177,305
	Other equity	8	**(6,375,049)**	**(441,280,895)**	(6,165,879)	(401,891,995)
	Total Equity		**222,441**	**15,397,363**	(149,044)	(9,714,690)
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	9	**5,217,076**	**361,126,001**	5,849,090	381,243,686
	(ii) Trade payables	10	**3,023,701**	**209,300,583**	1,265,185	82,464,758
	(iii) Other financial liabilities	11	**41,445**	**2,868,823**	122,070	7,956,523
	Other current liabilities	12	**452,022**	**31,288,963**	346,659	22,595,234
	Provisions	13	**60,401**	**4,180,957**	54,918	3,579,555
			8,794,645	**608,765,327**	7,637,922	497,839,756
	TOTAL EQUITY AND LIABILITIES		**9,017,086**	**624,162,690**	7,488,878	488,125,066

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

Tata Communications (Italy) srl

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	14	**16,952,860**	**1,173,476,969**	17,010,766	1,108,761,728
ii	Other Income	15	**565,947**	**39,174,852**	71,324	4,648,898
iii	**Total income (i + ii)**		**17,518,807**	**1,212,651,821**	17,082,090	1,113,410,626
iv	**Expenses:**					
	Network and transmission expenses	16	**15,830,437**	**1,095,782,849**	13,078,131	852,432,579
	Employee benefits expenses	17	**750,146**	**51,925,106**	817,225	53,266,726
	Operating and other expenses	18	**712,594**	**49,325,760**	2,899,324	188,977,939
	Finance costs	19	**286,511**	**19,832,292**	609,856	39,750,414
	Depreciation and amortisation expenses		**148,289**	**10,264,565**	96,831	6,311,445
	Total expenses		17,727,977	1,227,130,572	17,501,367	1,140,739,103
v	**Profit / (loss) before taxes (iii - vi)**		**(209,170)**	**(14,478,751)**	(419,277)	(27,328,477)
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	**Profit / (loss) for the year (v-vi)**		**(209,170)**	**(14,478,751)**	(419,277)	(27,328,477)

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**1,942,747**	**134,476,947**	1,942,286	126,598,201
Computers	**1,653**	**114,421**	1,653	107,743
(a)	**1,944,400**	**134,591,368**	1,943,939	126,705,944
Accumulated depreciation:				
Plant and machinery	**1,370,499**	**94,865,941**	1,573,525	102,562,360
Computers	**1,653**	**114,421**	1,653	107,743
(b)	**1,372,152**	**94,980,362**	1,575,178	102,670,103
Net block (a) - (b)	**572,248**	**39,611,006**	368,761	24,035,841

2 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	**17,941**	**1,241,876**	2,960	192,933
Total	**17,941**	**1,241,876**	2,960	192,933

3 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	**668,852**	**46,297,935**	1,382,078	90,083,844
Intercompany receivables	**2,164,302**	**149,812,984**	237,790	15,499,152
Provision for doubtful debts	**(55,636)**	**(3,851,124)**	(51,026)	(3,325,875)
Total	**2,777,518**	**192,259,795**	1,568,842	102,257,121

4 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	-	-	12,176	793,632
Total	-	-	12,176	793,632

5 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Advances to employees	**35,261**	**2,440,766**	28,789	1,876,467
Interest Receivable	**2,660**	**184,125**	3,253	212,031
Others	**7,733**	**535,278**	395	25,746
Total	**45,654**	**3,160,169**	32,437	2,114,244

6 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	-	-	5,284	344,411
Prepaid expenses	216,468	14,983,915	118,806	7,743,775
Indirect tax receivable	4,967,896	343,877,761	5,061,036	329,878,326
Others	-	-	480	31,286
Total	**5,184,364**	**358,861,676**	5,185,606	337,997,798

7 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	6,597,490	456,678,258	6,016,835	392,177,305
Total	**6,597,490**	**456,678,258**	6,016,835	392,177,305

8 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(6,165,879)	(426,802,144)	(5,746,602)	(374,563,518)
Profit / (loss) for the year	(209,170)	(14,478,751)	(419,277)	(27,328,477)
Total	**(6,375,049)**	**(441,280,895)**	(6,165,879)	(401,891,995)

9 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans taken	5,217,076	361,126,001	5,849,090	381,243,686
Total	**5,217,076**	**361,126,001**	5,849,090	381,243,686

10 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	3,023,701	209,300,583	1,265,185	82,464,758
Total	**3,023,701**	**209,300,583**	1,265,185	82,464,758

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

11 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deposit from customers and contractors	17,610	1,218,964	19,326	1,259,669
Interest accrued but not due	23,835	1,649,859	74,289	4,842,157
Others	-	-	28,455	1,854,697
Total	**41,445**	**2,868,823**	122,070	7,956,523

12 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	11,223	776,856	-	-
Other Employee dues	440,799	30,512,107	346,659	22,595,234
Total	**452,022**	**31,288,963**	346,659	22,595,234

13 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	60,401	4,180,957	54,918	3,579,555
Total	**60,401**	**4,180,957**	54,918	3,579,555

14 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	16,952,860	1,173,476,969	17,010,766	1,108,761,728
Total	**16,952,860**	**1,173,476,969**	17,010,766	1,108,761,728

15 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest on loan to subsidiaries	2,144	148,408	41,151	2,682,222
Exchange gain -Net	563,803	39,026,444	-	-
Miscellaneous income	-	-	30,173	1,966,676
Total	**565,947**	**39,174,852**	71,324	4,648,898

16 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	15,830,437	1,095,782,849	13,078,131	852,432,579
Total	**15,830,437**	**1,095,782,849**	13,078,131	852,432,579

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

17 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	747,947	51,772,891	815,177	53,133,237
Staff welfare expenses	2,199	152,215	2,048	133,489
Total	750,146	51,925,106	817,225	53,266,726

18 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	39,274	2,718,546	49,724	3,241,010
Auditors remuneration	50,000	3,461,000	50,000	3,259,000
Communication expenses	7,954	550,576	7,858	512,184
Electricity	28,136	1,947,574	30,097	1,961,722
Entertainment expenses	647	44,785	33	2,151
Exchange loss -Net	-	-	1,994,250	129,985,215
Insurance expenses	5,689	393,793	4,328	282,099
IT consumables	111	7,683	18	1,173
Legal and professional fees	141,865	9,819,895	237,461	15,477,708
Miscellaneous expenses	8,260	571,762	4,053	264,177
Printing and stationery	1,177	81,472	1,231	80,237
Provision for doubtful debts	4,610	319,104	(27,058)	(1,763,640)
Rates and Taxes	128,382	8,886,602	159,186	10,375,743
Repairs and Maintenance - Plant & Machinery	207,584	14,368,964	231,435	15,084,933
Seminars, trainings and conferences	-	-	1,345	87,667
Services rendered by agencies	42,129	2,916,169	38,474	2,507,735
Bad debts written off	-	-	63,900	4,165,002
Travelling and conveyance expenses	46,776	3,237,835	52,989	3,453,823
Total	712,594	49,325,760	2,899,324	188,977,939

19 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	265,926	18,407,398	546,951	35,650,266
Guarantee fees	20,585	1,424,894	62,905	4,100,148
Total	286,511	19,832,292	609,856	39,750,414

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021, India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093, India. T +91 (22) 6191 5555

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: 06 MAY 2019

Tata Communications (Japan) KK

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**58,178,165**	**4,027,092,581**	62,830,233	4,095,274,586
	Capital work-in-progress		**241,486**	**16,715,661**	720,820	46,983,048
	Other intangible assets	2	**42,880**	**2,968,153**	-	-
	Financial assets					
	(i) Loans	3	**18,387,591**	**1,272,789,049**	3,936,730	256,596,061
	(ii) Other financial assets	4	**158,099**	**10,943,613**	164,199	10,702,491
	Other non-current assets	5	**20,639**	**1,428,632**	5,457	355,687
			77,028,860	**5,331,937,689**	67,657,439	4,409,911,873
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	6	**2,526,553**	**174,887,999**	2,773,322	180,765,128
	(ii) Cash and cash equivalent	7	**240,678**	**16,659,731**	383,211	24,977,693
	(iii) Other financial assets	8	**127,795**	**8,845,970**	274	17,859
	Other current assets	9	**1,244,599**	**86,151,143**	912,281	59,462,476
			4,139,625	**286,544,843**	4,069,088	265,223,156
	TOTAL ASSETS		**81,168,485**	**5,618,482,532**	71,726,527	4,675,135,029
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	10	**3,628,039**	**251,132,860**	3,628,039	236,475,582
	Other equity	11	**(3,354,189)**	**(232,176,964)**	(3,779,115)	(246,322,717)
	Total Equity		**273,850**	**18,955,896**	(151,076)	(9,847,135)
(2)	**Non-current liabilities**					
	Provisions	12	**1,301,814**	**90,111,565**	1,244,025	81,085,550
	Deferred tax liabilities (Net)		**3,762,417**	**260,434,505**	4,330,932	282,290,148
	Other non current liabilities (Deferred revenue)		**60,112,636**	**4,160,996,664**	49,676,780	3,237,932,520
			65,176,867	**4,511,542,734**	55,251,737	3,601,308,218
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	13	**4,809,040**	**332,881,749**	6,084,136	396,563,985
	(ii) Other financial liabilities	14	-	-	271,666	17,707,190
	Other current liabilities	15	**9,749,891**	**674,887,455**	8,633,949	562,760,796
	Provisions	16	**68,771**	**4,760,329**	66,157	4,312,113
	Current tax liabilities (Net)		**1,090,066**	**75,454,369**	1,569,958	102,329,862
			15,717,768	**1,087,983,902**	16,625,866	1,083,673,946
	TOTAL EQUITY AND LIABILITIES		**81,168,485**	**5,618,482,532**	71,726,527	4,675,135,029

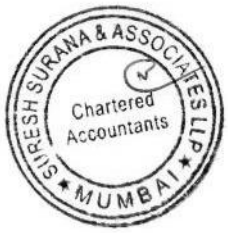
*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

Tata Communications (Japan) KK

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	17	**35,267,766**	**2,441,234,763**	34,079,671	2,221,312,956
ii	Other Income	18	**203,045**	**14,054,775**	65,518	4,270,463
iii	**Total income (i + ii)**		**35,470,811**	**2,455,289,538**	34,145,189	2,225,583,419
iv	**Expenses:**					
	Network and transmission expenses	19	**16,909,101**	**1,170,447,971**	15,423,277	1,005,289,195
	Employee benefits expenses	20	**1,583,131**	**109,584,328**	1,730,439	112,790,014
	Operating and other expenses	21	**4,480,200**	**310,119,446**	4,359,880	284,176,979
	Finance costs	22	**63,519**	**4,396,785**	447,943	29,196,925
	Depreciation and amortisation expenses		**10,770,048**	**745,502,723**	10,939,563	713,040,716
	Total expenses		**33,805,999**	**2,340,051,253**	32,901,102	2,144,493,829
v	**Profit / (loss) before taxes (iii - iv)**		**1,664,812**	**115,238,285**	1,244,087	81,089,590
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		**1,808,401**	**125,177,517**	1,249,048	81,412,949
	(ii) Deferred tax expense/(benefit)		**(568,515)**	**(39,352,608)**	(768,468)	(50,088,744)
	Net tax expenses		**1,239,886**	**85,824,909**	480,580	31,324,205
vii	**Profit / (loss) for the year (vii-viii)**		**424,926**	**29,413,376**	763,507	49,765,385

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Land	**2,087,335**	**144,485,329**	2,087,335	136,052,495
Building	**3,639,635**	**251,935,535**	3,639,635	237,231,409
Lease hold improvement	**40,434**	**2,798,841**	40,434	2,635,488
Cables	**85,993,110**	**5,952,443,074**	80,977,988	5,278,145,258
Plant and machinery	**83,677,693**	**5,792,169,909**	84,186,718	5,487,290,279
Furniture and fixtures	**37,731**	**2,611,740**	41,278	2,690,500
Computers	**260,778**	**18,051,053**	478,331	31,177,615
Office equipment	**346,741**	**24,001,412**	291,477	18,998,471
(a)	**176,083,457**	**12,188,496,893**	171,743,196	11,194,221,515
Accumulated depreciation:				
Land	-	-	-	-
Building	**1,996,156**	**138,173,918**	1,849,803	120,570,160
Lease hold improvement	**40,434**	**2,798,841**	40,434	2,635,488
Cables	**50,463,017**	**3,493,050,037**	45,006,519	2,933,524,908
Plant and machinery	**64,966,172**	**4,496,958,426**	61,377,709	4,000,599,073
Furniture and fixtures	**16,973**	**1,174,871**	16,910	1,102,194
Computers	**259,698**	**17,976,296**	468,971	30,567,530
Office equipment	**162,842**	**11,271,923**	152,617	9,947,576
(b)	**117,905,292**	**8,161,404,312**	108,912,963	7,098,946,929
Net block (a) - (b)	**58,178,165**	**4,027,092,581**	62,830,233	4,095,274,586

2 Other intangible assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Computer software	**46,778**	**3,237,973**	-	-
(a)	**46,778**	**3,237,973**	-	-
Accumulated amortisation:				
Computer software	**3,898**	**269,820**	-	-
(b)	**3,898**	**269,820**	-	-
Net block (a) - (b)	**42,880**	**2,968,153**	-	-

3 Non-current assets - financial assets - loans

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans given	**18,387,591**	**1,272,789,049**	3,936,730	256,596,061
Total	**18,387,591**	**1,272,789,049**	3,936,730	256,596,061

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Vendor deposits	**158,099**	**10,943,613**	164,199	10,702,491
Total	**158,099**	**10,943,613**	164,199	10,702,491

5 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	**20,639**	**1,428,632**	5,457	355,687
Total	**20,639**	**1,428,632**	5,457	355,687

6 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	**2,796,016**	**193,540,228**	2,845,421	185,464,541
Provision for doubtful debts	**(269,463)**	**(18,652,229)**	(72,099)	(4,699,413)
Total	**2,526,553**	**174,887,999**	2,773,322	180,765,128

7 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	**240,678**	**16,659,731**	383,211	24,977,693
Total	**240,678**	**16,659,731**	383,211	24,977,693

8 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Interest Receivable	**126,078**	**8,727,119**	-	-
Others	**1,717**	**118,851**	274	17,859
Total	**127,795**	**8,845,970**	274	17,859

9 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	-	-	5,815	379,022
Prepaid expenses	**297,158**	**20,569,277**	274,922	17,919,416
Indirect tax receivable	**947,441**	**65,581,866**	631,544	41,164,038
Total	**1,244,599**	**86,151,143**	912,281	59,462,476

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

10 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	**3,628,039**	**251,132,860**	3,628,039	236,475,582
Total	**3,628,039**	**251,132,860**	3,628,039	236,475,582

11 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(3,779,115)**	**(261,590,340)**	(4,542,622)	(296,088,102)
Profit / (loss) for the year	**424,926**	**29,413,376**	763,507	49,765,385
Total	**(3,354,189)**	**(232,176,964)**	(3,779,115)	(246,322,717)

12 Non-current liabilities - provisions

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Asset retirement obligation and others	**1,301,814**	**90,111,565**	1,244,025	81,085,550
Total	**1,301,814**	**90,111,565**	1,244,025	81,085,550

13 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	**4,153,599**	**287,512,123**	4,323,555	281,809,315
Inter Company - Payables	**655,441**	**45,369,626**	1,760,581	114,754,670
Total	**4,809,040**	**332,881,749**	6,084,136	396,563,985

14 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deposit from customers and contractors	-	-	215,000	14,013,700
Interest accrued but not due	-	-	39,641	2,583,800
Others	-	-	17,025	1,109,690
Total	-	-	271,666	17,707,190

15 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	**9,596,618**	**664,277,898**	8,410,809	548,216,531
Other Employee dues	**96,826**	**6,702,296**	157,211	10,247,013
Other Statutory dues	**56,447**	**3,907,261**	65,929	4,297,252
Total	**9,749,891**	**674,887,455**	8,633,949	562,760,796

16 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	**68,771**	**4,760,329**	66,157	4,312,113
Total	**68,771**	**4,760,329**	66,157	4,312,113

17 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	**35,267,766**	**2,441,234,763**	34,079,671	2,221,312,956
Total	**35,267,766**	**2,441,234,763**	34,079,671	2,221,312,956

18 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest income - others	**1**	**69**	2	130
Interest on loan to subsidiaries	**199,004**	**13,775,057**	8,590	559,896
Exchange gain -Net	**-**	**-**	47,684	3,108,043
Miscellaneous income	**4,040**	**279,649**	9,242	602,394
Total	**203,045**	**14,054,775**	65,518	4,270,463

19 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	**16,909,101**	**1,170,447,971**	15,423,277	1,005,289,195
Total	**16,909,101**	**1,170,447,971**	15,423,277	1,005,289,195

20 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	**1,579,060**	**109,302,533**	1,726,419	112,527,990
Staff welfare expenses	**4,071**	**281,795**	4,020	262,024
Total	**1,583,131**	**109,584,328**	1,730,439	112,790,014

21 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Communication expenses	**33,279**	**2,303,572**	51,224	3,338,780
Donations	**3,238**	**224,134**	-	-
Electricity	**1,587,374**	**109,878,028**	1,522,089	99,209,761
Entertainment expenses	**1,682**	**116,428**	10,562	688,431
Exchange loss -Net	**55,800**	**3,862,476**	-	-
Insurance expenses	**73,197**	**5,066,696**	72,534	4,727,766
IT consumables	**912**	**63,129**	2,046	133,358
Legal and professional fees	**215,485**	**14,915,872**	165,556	10,790,940
Miscellaneous expenses	**112,263**	**7,770,849**	82,294	5,363,924
Printing and stationery	**9,649**	**667,904**	10,432	679,958
Provision for doubtful debts	**197,364**	**13,661,536**	64,490	4,203,458
Rates and Taxes	**385,679**	**26,696,700**	392,101	25,557,143
Recruitment expenses	**43,119**	**2,984,697**	1,466	95,554
Rent	**276,684**	**19,152,066**	282,823	18,434,403
Repairs and Maintenance - Plant & Machinery	**962,736**	**66,640,586**	1,389,912	90,594,464
Repairs and Maintenance -Building	**355,318**	**24,595,112**	64,231	4,186,577
Seminars, trainings and conferences	**1,834**	**126,949**	120	7,822
Services rendered by agencies	**124,674**	**8,629,934**	194,888	12,702,800
Bad debts written off	-	-	29,267	1,907,623
Travelling and conveyance expenses	**39,913**	**2,762,778**	23,845	1,554,217
Total	**4,480,200**	**310,119,446**	4,359,880	284,176,979

22 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	**63,519**	**4,396,785**	245,329	15,990,544
Guarantee fees	-	-	202,614	13,206,381
Total	**63,519**	**4,396,785**	447,943	29,196,925

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 (Malaysia) Sdn Bhd** ("the subsidiary") registered in Malaysia as at 31 March 2019 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
MUMBAI

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: 06 MAY 2019

Tata Communications (Malaysia) Sdn Bhd

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**1,172,019**	**81,127,155**	935,162	60,953,859
	Capital work-in-progress		**23,620**	**1,634,976**	15,220	992,040
	Other intangible assets	2	**14,167**	**980,640**	-	-
	Financial assets					
	(i) Loans	3	-	-	244,069	15,908,417
	(ii) Other financial assets	4	**8,574**	**593,492**	9,049	589,814
	Deferred tax assets (Net)		**4,466**	**309,137**	14,962	975,223
	Other non-current assets	5	**122,424**	**8,474,189**	22,750	1,482,845
			1,345,270	**93,119,589**	1,241,212	80,902,198
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	6	**2,678,013**	**185,372,060**	1,965,257	128,095,452
	(ii) Cash and cash equivalent	7	**340,666**	**23,580,901**	-	-
	(iii) Other financial assets	8	**4,973**	**344,231**	32,025	2,087,389
	Other current assets	9	**308,740**	**21,370,983**	131,740	8,586,813
			3,332,392	**230,668,175**	2,129,022	138,769,654
	TOTAL ASSETS		**4,677,662**	**323,787,764**	3,370,234	219,671,852
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	10	**47,560**	**3,292,103**	47,560	3,099,961
	Other equity	11	**355,885**	**24,634,361**	319,535	20,827,291
	Total Equity		**403,445**	**27,926,464**	367,095	23,927,252
(2)	**Non-current liabilities**					
	Other non current liabilities (Deferred revenue)		**4,679**	**323,880**	10,090	657,666
			4,679	**323,880**	10,090	657,666
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	12	**1,247,032**	**86,319,555**	-	-
	(ii) Trade payables	13	**2,816,091**	**194,929,819**	2,810,767	183,205,793
	(iii) Other financial liabilities	14	**19,563**	**1,354,151**	43,735	2,850,647
	Other current liabilities	15	**174,423**	**12,073,560**	123,831	8,071,305
	Provisions	16	**8,093**	**560,197**	7,060	460,171
	Current tax liabilities (Net)		**4,336**	**300,138**	7,656	499,018
			4,269,538	**295,537,420**	2,993,049	195,086,934
	TOTAL EQUITY AND LIABILITIES		**4,677,662**	**323,787,764**	3,370,234	219,671,852

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Tata Communications (Malaysia) Sdn Bhd

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	17	**9,789,826**	**677,651,756**	6,779,031	441,857,241
ii	Other Income	18	**23,275**	**1,611,095**	147,582	9,619,395
iii	**Total income (i + ii)**		**9,813,101**	**679,262,851**	6,926,613	451,476,636
iv	**Expenses:**					
	Network and transmission expenses	19	**7,594,105**	**525,663,948**	5,358,554	349,270,550
	Employee benefits expenses	20	**457,330**	**31,656,383**	598,492	39,009,709
	Operating and other expenses	21	**1,186,187**	**82,107,862**	673,863	43,922,391
	Finance costs	22	**41,598**	**2,879,414**	22,481	1,465,311
	Depreciation and amortisation expenses		**313,207**	**21,680,189**	170,629	11,121,598
	Total expenses		**9,592,427**	**663,987,796**	6,824,019	444,789,559
v	**Profit / (loss) before exceptional items and taxes (iii - iv)**		**220,674**	**15,275,055**	102,594	6,687,077
vi	**Exceptional items (income / expenses):**					
	Staff cost optimisation		**(129,817)**	**(8,985,933)**	(15,556)	(1,013,940)
vii	**Profit / (loss) before taxes (v - vi)**		**90,857**	**6,289,122**	87,038	5,673,137
viiii	**Tax expenses**					
	(i) Current tax expense/(benefit)		**44,011**	**3,046,441**	93,121	6,069,627
	(ii) Deferred tax expense/(benefit)		**10,496**	**726,533**	(101,138)	(6,592,175)
	Net tax expenses		**54,507**	**3,772,974**	(8,017)	(522,548)
ix	**Profit / (loss) for the year (vii-viii)**		**36,350**	**2,516,148**	95,055	6,195,685

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**1,871,999**	**129,579,771**	1,322,768	86,218,018
(a)	**1,871,999**	**129,579,771**	1,322,768	86,218,018
Accumulated depreciation:				
Plant and machinery	**699,980**	**48,452,616**	387,606	25,264,159
(b)	**699,980**	**48,452,616**	387,606	25,264,159
Net block (a) - (b)	**1,172,019**	**81,127,155**	935,162	60,953,859

2 Other intangible assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Computer software	**15,000**	**1,038,300**	-	-
(a)	**15,000**	**1,038,300**	-	-
Accumulated amortisation:				
Computer software	**833**	**57,660**	-	-
(b)	**833**	**57,660**	-	-
Net block (a) - (b)	**14,167**	**980,640**	-	-

3 Non-current assets - financial assets - loans

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans given	-	-	244,069	15,908,417
Total	-	-	244,069	15,908,417

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Vendor deposits	**8,574**	**593,492**	9,049	589,814
Total	**8,574**	**593,492**	9,049	589,814

5 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	**122,424**	**8,474,189**	22,750	1,482,845
Total	**122,424**	**8,474,189**	22,750	1,482,845

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

6 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	1,397,018	96,701,586	1,346,849	87,787,618
Intercompany receivables	1,357,005	93,931,886	640,532	41,749,876
Provision for doubtful debts	(76,010)	(5,261,412)	(22,124)	(1,442,042)
Total	2,678,013	185,372,060	1,965,257	128,095,452

7 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	340,666	23,580,901	-	-
Total	340,666	23,580,901	-	-

8 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Security Deposit	5,118	354,268	-	-
Interest Receivable	-	-	4,679	304,977
Others	(145)	(10,037)	27,346	1,782,412
Total	4,973	344,231	32,025	2,087,389

9 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	201,630	13,956,829	80,769	5,264,523
Indirect tax receivable	107,110	7,414,154	50,971	3,322,290
Total	308,740	21,370,983	131,740	8,586,813

10 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	47,560	3,292,103	47,560	3,099,961
Total	47,560	3,292,103	47,560	3,099,961

11 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**319,535**	**22,118,213**	224,480	14,631,606
Profit / (loss) for the year	**36,350**	**2,516,148**	95,055	6,195,685
Total	**355,885**	**24,634,361**	319,535	20,827,291

12 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans taken	**1,247,032**	**86,319,555**	-	-
Total	**1,247,032**	**86,319,555**	-	-

13 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	**2,816,091**	**194,929,819**	2,810,767	183,205,793
Total	**2,816,091**	**194,929,819**	2,810,767	183,205,793

14 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Interest accrued but not due	**17,623**	**1,219,864**	-	-
Others	**1,940**	**134,287**	43,735	2,850,647
Total	**19,563**	**1,354,151**	43,735	2,850,647

15 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	**27,759**	**1,921,478**	19,550	1,274,269
Other Employee dues	**146,664**	**10,152,082**	104,281	6,797,036
Total	**174,423**	**12,073,560**	123,831	8,071,305

16 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	8,093	560,197	7,060	460,171
Total	8,093	560,197	7,060	460,171

17 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	9,789,826	677,651,756	6,779,031	441,857,241
Total	9,789,826	677,651,756	6,779,031	441,857,241

18 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest on loan to subsidiaries	669	46,308	8,083	526,850
Miscellaneous income	22,606	1,564,787	139,499	9,092,545
Total	23,275	1,611,095	147,582	9,619,395

19 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	7,493,265	518,683,803	5,358,554	349,270,550
Rent of satellite channels	100,840	6,980,145	-	-
Total	7,594,105	525,663,948	5,358,554	349,270,550

20 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	401,468	27,789,615	543,965	35,455,639
Contribution to provident and other funds	47,408	3,281,582	49,906	3,252,873
Staff welfare expenses	8,454	585,186	4,621	301,197
Total	457,330	31,656,383	598,492	39,009,709

21 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	525	36,341	-	-
Auditors remuneration	2,839	196,516	3,355	218,679
Communication expenses	10,161	703,344	12,282	800,541
Directors fees	2,952	204,337	2,289	149,197
Entertainment expenses	24,234	1,677,477	15,226	992,431
Exchange loss -Net	269,006	18,620,595	92,831	6,050,725
Insurance expenses	12,553	868,919	10,832	706,030
IT consumables	1,759	121,758	1,208	78,737
Legal and professional fees	48,641	3,366,930	15,516	1,011,333
Miscellaneous expenses	114,803	7,946,663	55,245	3,600,869
Printing and stationery	1,651	114,282	1,302	84,864
Provision for doubtful debts	53,885	3,729,920	18,722	1,220,300
Rates and Taxes	258,234	17,874,957	115,167	7,506,585
Recruitment expenses	4,229	292,731	661	43,084
Rent	124,290	8,603,354	171,003	11,145,976
Repairs and Maintenance - Plant & Machinery	199,922	13,838,601	78,654	5,126,668
Services rendered by agencies	35,934	2,487,351	49,241	3,209,528
Travelling and conveyance expenses	20,569	1,423,786	30,329	1,976,844
Total	1,186,187	82,107,862	673,863	43,922,391

22 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	34,927	2,417,647	9,373	610,932
Guarantee fees	6,671	461,767	13,108	854,379
Total	41,598	2,879,414	22,481	1,465,311

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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: 06 MAY 2019

Tata Communications (Middle East) FZ-LLC

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**505,347**	**34,980,118**	118,428	7,719,137
	Capital work-in-progress		**237,238**	**16,421,614**	21,188	1,381,034
	Investments in subsidiaries & associates	2	**136,006**	**9,414,335**	136,006	8,864,871
	Non current tax asset		**38**	**2,630**	38	2,477
	Other non-current assets	3	**7,560**	**523,303**	-	-
			886,189	**61,342,000**	275,660	17,967,519
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	4	**3,794,232**	**262,636,739**	1,839,594	119,904,737
	(ii) Cash and cash equivalent	5	**92,006**	**6,368,655**	51,673	3,368,046
	(iii) Other financial assets	6	**133,472**	**9,238,932**	157,661	10,276,344
	Other current assets	7	**196,739**	**13,618,273**	112,936	7,361,169
			4,216,449	**291,862,599**	2,161,864	140,910,296
	TOTAL ASSETS		**5,102,638**	**353,204,599**	2,437,524	158,877,815
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	8	**13,750**	**951,775**	13,750	896,225
	Other equity	9	**(2,398,522)**	**(166,025,698)**	(3,403,260)	(221,824,487)
	Total Equity		**(2,384,772)**	**(165,073,923)**	(3,389,510)	(220,928,262)
(2)	**Non-current liabilities**					
	Financial liabilities					
	Provisions	10	**948,878**	**65,681,336**	734,097	47,848,443
			948,878	**65,681,336**	734,097	47,848,443
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	11	**3,798,021**	**262,899,014**	3,324,866	216,714,766
	(ii) Trade payables	12	**417,885**	**28,926,000**	406,210	26,476,768
	(iii) Other financial liabilities	13	**122,546**	**8,482,634**	115,217	7,509,844
	Other current liabilities	14	**2,046,289**	**141,644,125**	1,026,304	66,894,495
	Provisions	15	**153,791**	**10,645,413**	220,340	14,361,761
			6,538,532	**452,597,186**	5,092,937	331,957,634
	TOTAL EQUITY AND LIABILITIES		**5,102,638**	**353,204,599**	2,437,524	158,877,815

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Tata Communications (Middle East) FZ-LLC

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	16	**10,758,431**	**744,698,594**	8,367,444	545,390,000
ii	Other Income	17	**745,287**	**51,588,766**	1,440,582	93,897,135
iii	**Total income (i + ii)**		**11,503,718**	**796,287,360**	9,808,026	639,287,135
iv	**Expenses:**					
	Network and transmission expenses	18	**3,382**	**234,102**	-	-
	Employee benefits expenses	19	**7,676,776**	**531,386,435**	7,807,872	508,917,097
	Operating and other expenses	20	**1,491,242**	**103,223,775**	1,211,093	78,939,041
	Finance costs	21	**305,446**	**21,142,973**	349,243	22,763,659
	Depreciation and amortisation expenses		**127,553**	**8,829,219**	31,764	2,070,378
	Total expenses		**9,604,399**	**664,816,504**	9,399,972	612,690,175
v	**Profit / (loss) before exceptional items and taxes (iii - iv)**		**1,899,319**	**131,470,856**	408,054	26,596,960
vi	**Exceptional items (income / expenses):**					
	Staff cost optimisation		**(894,581)**	**(61,922,897)**	(135,416)	(8,826,415)
vii	**Profit / (loss) before taxes (v - vi)**		**1,004,738**	**69,547,959**	272,638	17,770,545
viiii	**Tax expenses**					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
ix	**Profit / (loss) for the year (vii-viii)**		**1,004,738**	**69,547,959**	272,638	17,770,545

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	**501,840**	**34,737,365**	178,229	11,616,966
Plant and machinery	**11,697**	**809,666**	-	-
Furniture and fixtures	**164,247**	**11,369,177**	41,175	2,683,787
Computers	**107,700**	**7,454,994**	65,951	4,298,686
(a)	**785,484**	**54,371,202**	285,355	18,599,439
Accumulated depreciation:				
Lease hold improvement	**194,607**	**13,470,697**	85,298	5,559,724
Plant and machinery	**148**	**10,245**	-	-
Furniture and fixtures	**23,469**	**1,624,524**	15,769	1,027,823
Computers	**61,913**	**4,285,618**	65,860	4,292,755
(b)	**280,137**	**19,391,084**	166,927	10,880,302
Net block (a) - (b)	**505,347**	**34,980,118**	118,428	7,719,137

2 Investments in subsidiaries & associates

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Investments in subsidiaries	**136,006**	**9,414,335**	136,006	8,864,871
Total	**136,006**	**9,414,335**	136,006	8,864,871

3 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	**7,560**	**523,303**	-	-
Total	**7,560**	**523,303**	-	-

4 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	**132,651**	**9,182,102**	-	-
Intercompany receivables	**3,661,581**	**253,454,637**	1,839,594	119,904,737
Total	**3,794,232**	**262,636,739**	1,839,594	119,904,737

5 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	**92,006**	**6,368,655**	51,673	3,368,046
Total	**92,006**	**6,368,655**	51,673	3,368,046

6 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Security Deposit	**26,680**	**1,846,790**	16,335	1,064,715
Advances to employees	**106,792**	**7,392,142**	141,323	9,211,433
Others	-	-	3	196
Total	**133,472**	**9,238,932**	157,661	10,276,344

7 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	**58,110**	**4,022,374**	64,500	4,204,110
Prepaid expenses	**90,006**	**6,230,215**	47,950	3,125,381
Indirect tax receivable	**48,623**	**3,365,684**	144	9,386
Others	-	-	342	22,292
Total	**196,739**	**13,618,273**	112,936	7,361,169

8 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	**13,750**	**951,775**	13,750	896,225
Total	**13,750**	**951,775**	13,750	896,225

9 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(3,403,260)**	**(235,573,657)**	(3,675,898)	(239,595,032)
Profit / (loss) for the year	**1,004,738**	**69,547,959**	272,638	17,770,545
Total	**(2,398,522)**	**(166,025,698)**	(3,403,260)	(221,824,487)

10 Non-current liabilities - provisions

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Asset retirement obligation and others	208,157	14,408,628	101,025	6,584,810
Provision for gratuity	704,695	48,778,988	576,084	37,549,155
Retention liability	36,026	2,493,720	56,988	3,714,478
Total	**948,878**	**65,681,336**	734,097	47,848,443

11 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans taken	3,798,021	262,899,014	3,324,866	216,714,766
Total	**3,798,021**	**262,899,014**	3,324,866	216,714,766

12 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	417,885	28,926,000	406,210	26,476,768
Total	**417,885**	**28,926,000**	406,210	26,476,768

13 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deposit from customers and contractors	-	-	528	34,415
Interest accrued but not due	122,177	8,457,092	114,689	7,475,429
Others	369	25,542	-	-
Total	**122,546**	**8,482,634**	115,217	7,509,844

14 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	3,821	264,490	-	-
Other Employee dues	2,037,122	141,009,585	1,026,304	66,894,495
Other Statutory dues	5,346	370,050	-	-
Total	**2,046,289**	**141,644,125**	1,026,304	66,894,495

15 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	**153,791**	**10,645,413**	220,340	14,361,761
Total	**153,791**	**10,645,413**	220,340	14,361,761

16 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	**123,224**	**8,529,565**	-	-
Management consultancy Services	**10,635,207**	**736,169,029**	8,367,444	545,390,000
Total	**10,758,431**	**744,698,594**	8,367,444	545,390,000

17 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Profit on sale of fixed assets	**546**	**37,794**	-	-
Miscellaneous income	**744,741**	**51,550,972**	1,440,582	93,897,135
Total	**745,287**	**51,588,766**	1,440,582	93,897,135

18 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	**3,382**	**234,102**	-	-
Total	**3,382**	**234,102**	-	-

19 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	**7,330,685**	**507,430,016**	7,596,596	495,146,127
Contribution to provident and other funds	**243,530**	**16,857,147**	166,226	10,834,611
Staff welfare expenses	**102,561**	**7,099,272**	45,050	2,936,359
Total	**7,676,776**	**531,386,435**	7,807,872	508,917,097

20 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	**124,366**	**8,608,615**	147,344	9,603,882
Auditors remuneration	**5,444**	**376,834**	5,445	354,905
Communication expenses	**196,494**	**13,601,315**	112,245	7,316,129
CSR expenses	**9,437**	**653,229**	-	-
Entertainment expenses	**7,896**	**546,561**	5,056	329,550
Exchange loss -Net	**165,744**	**11,472,800**	179,089	11,673,021
Insurance expenses	**13,858**	**959,251**	13,443	876,215
IT consumables	**8,655**	**599,099**	8,075	526,329
Legal and professional fees	**89,115**	**6,168,540**	41,262	2,689,457
Miscellaneous expenses	**10,843**	**750,556**	11,347	739,597
Printing and stationery	**8,411**	**582,209**	9,197	599,460
Rates and Taxes	**5,203**	**360,152**	9,623	627,227
Recruitment expenses	**18,970**	**1,313,103**	26,750	1,743,565
Relocation Expense	**8,793**	**608,651**	4,084	266,195
Rent	**277,759**	**19,226,478**	161,999	10,559,095
Repairs and Maintenance - Plant & Machinery	**82,271**	**5,694,799**	-	-
Repairs and Maintenance -Building	-	-	7,283	474,706
Seminars, trainings and conferences	**17,052**	**1,180,339**	6,396	416,891
Services rendered by agencies	-	-	21,963	1,431,548
Travelling and conveyance expenses	**440,931**	**30,521,244**	440,492	28,711,269
Total	**1,491,242**	**103,223,775**	1,211,093	78,939,041

21 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	**234,366**	**16,222,815**	208,768	13,607,498
Guarantee fees	**71,080**	**4,920,158**	140,475	9,156,161
Total	**305,446**	**21,142,973**	349,243	22,763,659

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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: 06 MAY 2019

Tata Communications (Nordic) AS

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**298,651**	**20,672,623**	295,228	19,242,961
	Capital work-in-progress		**1,780**	**123,212**	2,906	189,413
	Financial assets					
	(i) Loans	2	**989,064**	**68,463,010**	768,268	50,075,708
	(ii) Other financial assets	3	**5,181**	**358,629**	5,686	370,613
	Deferred tax assets (Net)		**118,667**	**8,214,130**	-	-
	Non current tax asset		**72**	**4,984**	72	4,693
	Other non-current assets	4	**17,579**	**1,216,818**	36,803	2,398,820
			1,430,994	**99,053,406**	1,108,963	72,282,208
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	5	**365,478**	**25,298,387**	517,258	33,714,877
	(ii) Cash and cash equivalent	6	**83,137**	**5,754,743**	20,472	1,334,365
	(iv) Other financial assets	7	**28,120**	**1,946,467**	10,261	668,812
	Other current assets	8	**127,653**	**8,836,141**	37,231	2,426,717
			604,388	**41,835,738**	585,222	38,144,771
	TOTAL ASSETS		**2,035,382**	**140,889,144**	1,694,185	110,426,979
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	9	**16,708**	**1,156,528**	16,708	1,089,027
	Other equity	10	**331,371**	**22,937,503**	129,045	8,411,155
	Total Equity		**348,079**	**24,094,031**	145,753	9,500,182
(2)	**Non-current liabilities**					
	Deferred tax liabilities (Net)		-	-	7,227	471,056
	Other non current liabilities (Deferred revenue)		**129,635**	**8,973,335**	142,128	9,263,903
			129,635	**8,973,335**	149,355	9,734,959
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	11	**1,135,222**	**78,580,066**	1,000,587	65,218,261
	(ii) Other financial liabilities	12	**63**	**4,361**	2,100	136,878
	Other current liabilities	13	**356,469**	**24,674,784**	343,482	22,388,156
	Provisions	14	**65,914**	**4,562,567**	52,908	3,448,543
			1,557,668	**107,821,778**	1,399,077	91,191,838
	TOTAL EQUITY AND LIABILITIES		**2,035,382**	**140,889,144**	1,694,185	110,426,979

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

Tata Communications (Nordic) AS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR	USD	INR
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	15	**4,813,445**	**333,186,663**	4,071,339	265,369,876
ii	Other Income	16	**45,250**	**3,132,205**	109,456	7,134,342
iii	**Total income (i + ii)**		**4,858,695**	**336,318,868**	4,180,795	272,504,218
iv	**Expenses:**					
	Network and transmission expenses	17	**3,513,290**	**243,189,934**	3,220,263	209,896,742
	Employee benefits expenses	18	**507,942**	**35,159,745**	410,187	26,735,989
	Operating and other expenses	19	**703,388**	**48,688,515**	454,978	29,655,464
	Finance costs	20	**1,403**	**97,116**	8,356	544,644
	Depreciation and amortisation expenses		**56,240**	**3,892,933**	32,258	2,102,576
	Total expenses		**4,782,263**	**331,028,243**	4,126,042	268,935,415
v	**Profit / (loss) before taxes (iii - vi)**		**76,432**	**5,290,625**	54,753	3,568,803
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		**(125,894)**	**(8,714,383)**	7,988	520,658
	Net tax expenses		**(125,894)**	**(8,714,383)**	7,988	520,658
vii	**Profit / (loss) for the year (v-vi)**		**202,326**	**14,005,008**	46,765	3,048,145

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**512,494**	**35,474,835**	475,213	30,974,383
Computers	-	-	212	13,818
(a)	**512,494**	**35,474,835**	475,425	30,988,201
Accumulated depreciation:				
Plant and machinery	**213,843**	**14,802,212**	179,985	11,731,422
Computers	-	-	212	13,818
(b)	**213,843**	**14,802,212**	180,197	11,745,240
Net block (a) - (b)	**298,651**	**20,672,623**	295,228	19,242,961

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans given	**989,064**	**68,463,010**	768,268	50,075,708
Total	**989,064**	**68,463,010**	768,268	50,075,708

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Vendor deposits	**5,181**	**358,629**	5,686	370,613
Total	**5,181**	**358,629**	5,686	370,613

4 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	**17,579**	**1,216,818**	36,803	2,398,820
Total	**17,579**	**1,216,818**	36,803	2,398,820

5 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	**366,813**	**25,390,796**	521,270	33,976,379
Provision for doubtful debts	**(1,335)**	**(92,409)**	(4,012)	(261,502)
Total	**365,478**	**25,298,387**	517,258	33,714,877

6 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	83,137	5,754,743	20,472	1,334,365
Total	83,137	5,754,743	20,472	1,334,365

7 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Advances to employees	2,459	170,212	853	55,599
Interest Receivable	24,845	1,719,771	9,408	613,213
Others	816	56,484	-	-
Total	28,120	1,946,467	10,261	668,812

8 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	127,653	8,836,141	37,231	2,426,717
Total	127,653	8,836,141	37,231	2,426,717

9 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	16,708	1,156,528	16,708	1,089,027
Total	16,708	1,156,528	16,708	1,089,027

10 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(1,014,802)	(70,244,594)	(1,061,567)	(69,192,937)
Profit / (loss) for the year	202,326	14,005,008	46,765	3,048,145
Closing balance	(812,476)	(56,239,586)	(1,014,802)	(66,144,792)
Share premium	1,143,847	79,177,089	1,143,847	74,555,947
Total	331,371	22,937,503	129,045	8,411,155

11 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	289,352	20,028,945	234,394	15,277,801
Inter Company - Payables	845,870	58,551,121	766,193	49,940,460
Total	1,135,222	78,580,066	1,000,587	65,218,261

12 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Interest accrued but not due	63	4,361	1,562	101,811
Others	-	-	538	35,067
Total	63	4,361	2,100	136,878

13 Current liabilities - other current liabilities

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Deferred revenue and advance from customers	60,728	4,203,592	7,079	461,409
Other Employee dues	127,662	8,836,764	64,201	4,184,621
Other Statutory dues	168,079	11,634,428	272,202	17,742,126
Total	356,469	24,674,784	343,482	22,388,156

14 Current liabilities - provisons

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Leave entitlement	65,914	4,562,567	52,908	3,448,543
Total	65,914	4,562,567	52,908	3,448,543

15 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	4,813,445	333,186,663	4,071,339	265,369,876
Total	4,813,445	333,186,663	4,071,339	265,369,876

16 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest on loan to subsidiaries	45,250	3,132,205	41,835	2,726,805
Exchange gain -Net	-	-	67,621	4,407,537
Total	**45,250**	**3,132,205**	109,456	7,134,342

17 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	3,513,290	243,189,934	3,220,263	209,896,742
Total	**3,513,290**	**243,189,934**	3,220,263	209,896,742

18 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	507,122	35,102,985	409,642	26,700,466
Staff welfare expenses	820	56,760	545	35,523
Total	**507,942**	**35,159,745**	410,187	26,735,989

19 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Auditors remuneration	48,400	3,350,248	48,400	3,154,712
Communication expenses	2,319	160,521	3,058	199,320
Electricity	-	-	721	46,995
Exchange loss -Net	139,446	9,652,452	-	-
Insurance expenses	2,289	158,445	2,328	151,739
Legal and professional fees	62,381	4,318,013	64,891	4,229,595
Miscellaneous expenses	7,972	551,819	6,907	450,198
Printing and stationery	92	6,368	-	-
Provision for doubtful debts	(2,677)	(185,302)	2,688	175,204
Rates and Taxes	57,890	4,007,146	17,924	1,168,286
Repairs and Maintenance - Plant & Machinery	350,650	24,271,993	278,579	18,157,779
Services rendered by agencies	17,000	1,176,740	17,696	1,153,425
Travelling and conveyance expenses	17,626	1,220,072	11,786	768,211
Total	**703,388**	**48,688,515**	454,978	29,655,464

20 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	1,403	97,116	8,291	540,407
Guarantee fees	-	-	65	4,237
Total	**1,403**	**97,116**	8,356	544,644

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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.

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Place Mumbai
Date: 06 MAY 2019

Tata Communications (Poland) SPZOO

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**485,604**	**33,613,509**	378,294	24,657,203
	Capital work-in-progress		**83,042**	**5,748,167**	7,576	493,804
	Financial assets					
	(i) Loans	2	-	-	344,269	22,439,453
	(ii) Other financial assets	3	**1,069**	**73,996**	1,198	78,086
	Deferred tax assets (Net)		**18,016**	**1,247,068**	25,146	1,639,016
	Non current tax asset		**275,206**	**19,049,759**	26,901	1,753,407
	Other non-current assets	4	**15,831**	**1,095,822**	7,503	489,046
			878,768	**60,828,321**	790,887	51,550,015
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	5	**689,489**	**47,726,429**	1,043,139	67,991,800
	(ii) Cash and cash equivalent	6	**142,312**	**9,850,837**	127,669	8,321,465
	(iii) Other financial assets	7	**28,173**	**1,950,135**	47,792	3,115,082
	Other current assets	8	**38,481**	**2,663,655**	15,800	1,029,845
			898,455	**62,191,056**	1,234,400	80,458,192
	TOTAL ASSETS		**1,777,223**	**123,019,377**	2,025,287	132,008,207
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	9	**473,029**	**32,743,067**	473,029	30,832,030
	Other equity	10	**(166,752)**	**(11,542,572)**	(33,200)	(2,163,976)
	Total Equity		**306,277**	**21,200,495**	439,829	28,668,054
(2)	**Non-current liabilities**					
	Other non current liabilities (Deferred revenue)		**14,447**	**1,000,021**	-	-
			14,447	**1,000,021**	-	-
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	11	**224,952**	**15,571,177**	-	-
	(ii) Trade payables	12	**1,020,208**	**70,618,798**	1,364,679	88,949,777
	(iii) Other financial liabilities	13	**31,741**	**2,197,112**	99,898	6,511,352
	Other current liabilities	14	**163,229**	**11,298,712**	100,165	6,528,755
	Provisions	15	**16,369**	**1,133,062**	20,716	1,350,269
			1,456,499	**100,818,861**	1,585,458	103,340,153
	TOTAL EQUITY AND LIABILITIES		**1,777,223**	**123,019,377**	2,025,287	132,008,207

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

Tata Communications (Poland) SPZOO

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	16	**8,208,858**	**568,217,151**	9,925,179	646,923,167
ii	Other Income	17	**29,542**	**2,044,897**	73,425	4,785,842
iii	**Total income (i + ii)**		**8,238,400**	**570,262,048**	9,998,604	651,709,009
iv	**Expenses:**					
	Network and transmission expenses	18	**7,002,855**	**484,737,623**	8,746,582	570,102,215
	Employee benefits expenses	19	**569,976**	**39,453,739**	624,580	40,710,125
	Operating and other expenses	20	**487,468**	**33,742,532**	461,799	30,100,058
	Finance costs	21	**194**	**13,429**	1,123	73,197
	Depreciation and amortisation expenses		**106,121**	**7,345,696**	80,192	5,226,915
	Total expenses		**8,166,614**	**565,293,019**	9,914,276	646,212,510
v	**Profit / (loss) before taxes (iii -i v)**		**71,786**	**4,969,029**	84,328	5,496,499
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		**198,208**	**13,719,958**	446,880	29,127,638
	(ii) Deferred tax expense/(benefit)		**7,130**	**493,539**	7,450	485,591
	Net tax expenses		**205,338**	**14,213,497**	454,330	29,613,229
vii	**Profit / (loss) for the year (v-vi)**		**(133,552)**	**(9,244,468)**	(370,002)	(24,116,730)

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**1,219,533**	**84,416,074**	1,485,761	96,841,902
Computers	-	-	1,899	123,777
(a)	**1,219,533**	**84,416,074**	1,487,660	96,965,679
Accumulated depreciation:				
Plant and machinery	**733,929**	**50,802,565**	1,107,467	72,184,699
Computers	-	-	1,899	123,777
(b)	**733,929**	**50,802,565**	1,109,366	72,308,476
Net block (a) - (b)	**485,604**	**33,613,509**	378,294	24,657,203

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans given	-	-	344,269	22,439,453
Total	-	-	344,269	22,439,453

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Vendor deposits	**1,069**	**73,996**	1,198	78,086
Total	**1,069**	**73,996**	1,198	78,086

4 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	**15,831**	**1,095,822**	7,503	489,046
Total	**15,831**	**1,095,822**	7,503	489,046

5 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	**703,641**	**48,706,030**	1,048,185	68,320,698
Provision for doubtful debts	**(14,152)**	**(979,601)**	(5,046)	(328,898)
Total	**689,489**	**47,726,429**	1,043,139	67,991,800

6 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	**142,312**	**9,850,837**	127,669	8,321,465
Total	**142,312**	**9,850,837**	127,669	8,321,465

7 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Advances to employees	**8,754**	**605,952**	20,250	1,319,895
Interest Receivable	**17,141**	**1,186,500**	27,186	1,771,983
Others	**2,278**	**157,683**	356	23,204
Total	**28,173**	**1,950,135**	47,792	3,115,082

8 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	**38,373**	**2,656,179**	15,775	1,028,215
Others	**108**	**7,476**	25	1,630
Total	**38,481**	**2,663,655**	15,800	1,029,845

9 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	**473,029**	**32,743,067**	473,029	30,832,030
Total	**473,029**	**32,743,067**	473,029	30,832,030

10 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(33,200)**	**(2,298,104)**	336,802	21,952,754
Profit / (loss) for the year	**(133,552)**	**(9,244,468)**	(370,002)	(24,116,730)
Total	**(166,752)**	**(11,542,572)**	(33,200)	(2,163,976)

11 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans taken	224,952	15,571,177	-	-
Total	224,952	15,571,177	-	-

12 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	775,680	53,692,570	1,140,884	74,362,819
Inter Company - Payables	244,528	16,926,228	223,795	14,586,958
Total	1,020,208	70,618,798	1,364,679	88,949,777

13 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deposit from customers and contractors	31,741	2,197,112	34,927	2,276,542
Others	-	-	64,971	4,234,810
Total	31,741	2,197,112	99,898	6,511,352

14 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	14,648	1,013,935	-	-
Other Employee dues	73,880	5,113,974	79,375	5,173,663
Other Statutory dues	74,701	5,170,803	20,790	1,355,092
Total	163,229	11,298,712	100,165	6,528,755

15 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	16,369	1,133,062	20,716	1,350,269
Total	16,369	1,133,062	20,716	1,350,269

16 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	8,208,858	568,217,151	9,925,179	646,923,167
Total	8,208,858	568,217,151	9,925,179	646,923,167

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

17 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest on loan to subsidiaries	27,990	1,937,468	41,387	2,697,605
Miscellaneous income	1,552	107,429	32,038	2,088,237
Total	29,542	2,044,897	73,425	4,785,842

18 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	7,002,855	484,737,623	8,746,582	570,102,215
Total	7,002,855	484,737,623	8,746,582	570,102,215

19 Employee benefit expenses

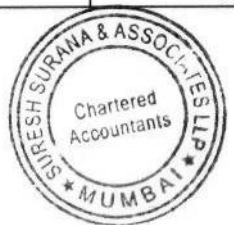
Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	565,482	39,142,664	611,776	39,875,560
Staff welfare expenses	4,494	311,075	12,804	834,565
Total	569,976	39,453,739	624,580	40,710,125

20 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Auditors remuneration	15,000	1,038,300	15,000	977,700
Communication expenses	5,504	380,987	11,192	729,495
Electricity	(1,274)	(88,186)	2,438	158,909
Entertainment expenses	174	12,044	7,371	480,442
Exchange loss -Net	148,767	10,297,652	43,056	2,806,390
Insurance expenses	2,792	193,262	2,530	164,905
IT consumables	(5,576)	(385,971)	4,521	294,679
Legal and professional fees	166,412	11,519,039	154,716	10,084,389
Miscellaneous expenses	10,915	755,534	9,758	636,023
Printing and stationery	(4,948)	(342,501)	7,505	489,176
Provision for doubtful debts	9,106	630,317	(59,519)	(3,879,448)
Rates and Taxes	8,651	598,822	1,234	80,432
Rent	14,409	997,391	14,945	974,115
Repairs and Maintenance - Plant & Machinery	39,822	2,756,479	62,565	4,077,987
Repairs and Maintenance -Building	1,758	121,689	1,660	108,199
Security charges	320	22,150	281	18,316
Seminars, trainings and conferences	5,286	365,897	5,473	356,730
Services rendered by agencies	27,996	1,937,883	29,866	1,946,666
Bad debts written off	-	-	59,532	3,880,296
Travelling and conveyance expenses	42,354	2,931,744	87,675	5,714,657
Total	487,468	33,742,532	461,799	30,100,058

21 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	194	13,429	1,123	73,197
Total	194	13,429	1,123	73,197



Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 (Portugal) Instalacao De Redes LDA** ("the subsidiary") registered in Portugal as at 31 March 2019 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.

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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: 06 MAY 2019

Tata Communications (Portugal) Instalacao De Redes LDA

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**4,917,998**	**340,423,824**	5,861,671	382,063,716
	Capital work-in-progress		**42,326**	**2,929,806**	6,483	422,562
	Deferred tax assets (Net)		**37,931**	**2,625,584**	24,094	1,570,447
	Non current tax asset		-	-	89,563	5,837,716
	Other non-current assets	2	**3,021**	**209,114**	607	39,564
			5,001,276	**346,188,328**	5,982,418	389,934,005
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	3	**909,307**	**62,942,231**	951,761	62,035,782
	(ii) Cash and cash equivalent	4	**169,586**	**11,738,743**	73,490	4,790,078
	(iii) Other financial assets	5	**12,217**	**845,661**	956	62,312
	Other current assets	6	**1,116,335**	**77,272,708**	1,181,190	76,989,964
			2,207,445	**152,799,343**	2,207,397	143,878,136
	TOTAL ASSETS		**7,208,721**	**498,987,671**	8,189,815	533,812,141
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	7	**60,714,551**	**4,202,661,220**	60,714,551	3,957,374,434
	Other equity	8	**(61,167,684)**	**(4,234,027,084)**	(61,541,872)	(4,011,299,218)
	Total Equity		**(453,133)**	**(31,365,864)**	(827,321)	(53,924,784)
(2)	**Non-current liabilities**					
	Provisions	9	**506,741**	**35,076,612**	485,240	31,627,943
	Other non current liabilities (Deferred revenue)		**4,672,464**	**323,427,958**	5,091,876	331,888,478
			5,179,205	**358,504,570**	5,577,116	363,516,421
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	10	**841,642**	**58,258,459**	1,777,222	115,839,330
	(ii) Trade payables	11	**644,999**	**44,646,831**	712,275	46,426,085
	(iii) Other financial liabilities	12	**152,377**	**10,547,536**	174,571	11,378,538
	Other current liabilities	13	**825,053**	**57,110,169**	759,432	49,499,777
	Provisions	14	**15,639**	**1,082,532**	16,520	1,076,774
	Current tax liabilities (Net)		**2,939**	**203,438**	-	-
			2,482,649	**171,848,965**	3,440,020	224,220,504
	TOTAL EQUITY AND LIABILITIES		**7,208,721**	**498,987,671**	8,189,815	533,812,141

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

Tata Communications (Portugal) Instalacao De Redes LDA

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	15	**4,126,490**	**285,635,638**	5,047,751	329,012,410
ii	Other Income	16	**208,241**	**14,414,442**	-	-
iii	**Total income (i + ii)**		**4,334,731**	**300,050,080**	5,047,751	329,012,410
iv	**Expenses:**					
	Network and transmission expenses	17	**391,843**	**27,123,372**	384,926	25,089,477
	Employee benefits expenses	18	**725,406**	**50,212,604**	611,072	39,829,673
	Operating and other expenses	19	**1,267,422**	**87,730,948**	2,133,475	139,059,901
	Finance costs	20	**102,783**	**7,114,639**	180,651	11,774,832
	Impairment of investment		-	-	-	-
	Depreciation and amortisation expenses		**1,140,719**	**78,960,569**	1,071,887	69,865,595
	Total expenses		**3,628,173**	**251,142,132**	4,382,011	285,619,478
v	**Profit / (loss) before taxes (iii - iv)**		**706,558**	**48,907,948**	665,740	43,392,932
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		**346,207**	**23,964,449**	120,202	7,834,766
	(ii) Deferred tax expense/(benefit)		**(13,837)**	**(957,797)**	198,814	12,958,697
	Net tax expenses		**332,370**	**23,006,652**	319,016	20,793,463
vii	**Profit / (loss) for the year (v-vi)**		**374,188**	**25,901,296**	346,724	22,599,469

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Land	**65,449**	**4,530,380**	65,449	4,265,966
Building	**132,958**	**9,203,353**	132,958	8,666,202
Cables	**4,965,825**	**343,734,407**	4,900,572	319,419,283
Plant and machinery	**10,356,263**	**716,860,525**	10,661,386	694,909,139
Furniture and fixtures	**15,668**	**1,084,539**	15,671	1,021,436
Computers	**29,830**	**2,064,833**	31,127	2,028,858
Office equipment	**146,149**	**10,116,434**	140,587	9,163,461
(a)	**15,712,142**	**1,087,594,471**	15,947,750	1,039,474,345
Accumulated depreciation:				
Land	-	-	-	-
Building	**76,993**	**5,329,455**	61,756	4,025,256
Cables	**3,113,723**	**215,531,906**	2,769,899	180,542,017
Plant and machinery	**7,513,812**	**520,106,067**	7,180,884	468,050,019
Furniture and fixtures	**9,084**	**628,794**	7,456	485,982
Computers	**29,830**	**2,064,833**	31,127	2,028,858
Office equipment	**50,702**	**3,509,592**	34,957	2,278,497
(b)	**10,794,144**	747,170,647	10,086,079	657,410,629
Net block (a) - (b)	**4,917,998**	**340,423,824**	5,861,671	382,063,716

2 Non-current assets - others

Particulars	**As at 31 March 2019**		As at 31 March 2018	
	USD	**INR**	USD	INR
Prepaid expenses	**3,021**	**209,114**	607	39,564
Total	**3,021**	**209,114**	607	39,564

3 Trade receivables

Particulars	**As at 31 March 2019**		As at 31 March 2018	
	USD	**INR**	USD	INR
Trade receivables	**1,213,062**	**83,968,152**	1,467,970	95,682,285
Intercompany receivables	**356,181**	**24,654,849**	148,786	9,697,871
Provision for doubtful debts	**(659,936)**	**(45,680,770)**	(664,995)	(43,344,374)
Total	**909,307**	**62,942,231**	951,761	62,035,782

4 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Cash in hand	-	-	-	-
Balance with bank	169,586	11,738,743	73,490	4,790,078
Total	169,586	11,738,743	73,490	4,790,078

5 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Advances to employees	7,532	521,365	956	62,312
Interest Receivable	3,054	211,398	-	-
Others	1,631	112,898	-	-
Total	12,217	845,661	956	62,312

6 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	15,951	1,104,128	27,069	1,764,357
Indirect tax receivable	1,100,384	76,168,580	1,154,121	75,225,607
Total	1,116,335	77,272,708	1,181,190	76,989,964

7 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	60,714,551	4,202,661,220	60,714,551	3,957,374,434
Total	60,714,551	4,202,661,220	60,714,551	3,957,374,434

8 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(61,541,872)	(4,259,928,380)	(61,888,596)	(4,033,898,687)
Profit / (loss) for the year	374,188	25,901,296	346,724	22,599,469
Total	(61,167,684)	(4,234,027,084)	(61,541,872)	(4,011,299,218)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

9 Non-current liabilities - provisions

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Asset retirement obligation and others	**506,741**	**35,076,612**	485,240	31,627,943
Total	**506,741**	**35,076,612**	485,240	31,627,943

10 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans taken	**841,642**	**58,258,459**	1,777,222	115,839,330
Total	**841,642**	**58,258,459**	1,777,222	115,839,330

11 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	**644,999**	**44,646,831**	712,275	46,426,085
Total	**644,999**	**44,646,831**	712,275	46,426,085

12 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deposit from customers and contractors	**117,966**	**8,165,607**	115,118	7,503,391
Interest accrued but not due	**34,411**	**2,381,929**	55,749	3,633,720
Others	-	-	3,704	241,427
Total	**152,377**	**10,547,536**	174,571	11,378,538

13 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	**777,272**	**53,802,768**	716,963	46,731,648
Other Employee dues	**47,781**	**3,307,401**	42,469	2,768,129
Total	**825,053**	**57,110,169**	759,432	49,499,777

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

14 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	15,639	1,082,532	16,520	1,076,774
Total	15,639	1,082,532	16,520	1,076,774

15 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	4,126,490	285,635,638	5,047,751	329,012,410
Total	4,126,490	285,635,638	5,047,751	329,012,410

16 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest on loan to subsidiaries	3,054	211,398	-	-
Exchange gain -Net	161,073	11,149,473	-	-
Miscellaneous income	44,114	3,053,571	-	-
Total	208,241	14,414,442	-	-

17 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	391,843	27,123,372	384,926	25,089,477
Total	391,843	27,123,372	384,926	25,089,477

18 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	569,721	39,436,088	593,523	38,685,829
Staff welfare expenses	155,685	10,776,516	17,549	1,143,844
Total	725,406	50,212,604	611,072	39,829,673

19 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	49	3,392	-	-
Auditors remuneration	32,500	2,249,650	32,500	2,118,350
Communication expenses	13,158	910,797	14,831	966,685
Electricity	332,750	23,032,955	350,226	22,827,731
Exchange loss -Net	-	-	289,798	18,889,034
Insurance expenses	18,743	1,297,390	10,095	657,992
Legal and professional fees	121,209	8,390,087	139,666	9,103,430
Miscellaneous expenses	-	-	43,249	2,818,969
Printing and stationery	5,071	351,012	2,288	149,132
Provision for doubtful debts	(5,060)	(350,253)	492,733	32,116,337
Rates and Taxes	54,262	3,756,016	61,057	3,979,695
Rent	220,787	15,282,876	226,790	14,782,172
Repairs and Maintenance - Plant & Machinery	406,932	28,167,833	414,866	27,040,966
Repairs and Maintenance -Building	17,483	1,210,173	10,515	685,368
Seminars, trainings and conferences	31	2,146	40	2,607
Services rendered by agencies	14,865	1,028,955	13,612	887,230
Travelling and conveyance expenses	34,642	2,397,919	31,209	2,034,203
Total	1,267,422	87,730,948	2,133,475	139,059,901

20 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	96,456	6,676,684	166,839	10,874,566
Guarantee fees	6,327	437,955	13,812	900,266
Total	102,783	7,114,639	180,651	11,774,832

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai – 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 (Portugal) Unipessoal LDA** ("the subsidiary") registered in Portugal as at 31 March 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

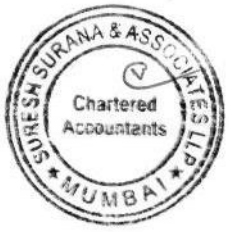
Place: Mumbai
Date: 06 MAY 2019

Tata Communications (Portugal) Unipessoal LDA

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Investments in subsidiaries & associates	1	**956,205**	**66,188,510**	956,205	62,325,442
	Financial assets					
	(i) Loans	2	**459,590**	**31,812,820**	483,749	31,530,760
	Non current tax asset		**9,852**	**681,955**	12,303	801,910
			1,425,647	**98,683,285**	1,452,257	94,658,112
(2)	**Current assets**					
	Financial assets					
	(i) Cash and cash equivalent	3	**9,669**	**669,288**	15,844	1,032,712
	(ii) Other financial assets	4	**9,850**	**681,817**	10,001	651,865
	Other current assets	5	**135**	**9,345**	148	9,647
			19,654	**1,360,450**	25,993	1,694,224
	TOTAL ASSETS		**1,445,301**	**100,043,735**	1,478,250	96,352,336
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	6	**1,393,444**	**96,454,194**	1,393,444	90,824,680
	Other equity	7	**49,107**	**3,399,186**	82,056	5,348,411
	Total Equity		**1,442,551**	**99,853,380**	1,475,500	96,173,091
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	8	**2,750**	**190,355**	2,750	179,245
			2,750	**190,355**	2,750	179,245
	TOTAL EQUITY AND LIABILITIES		**1,445,301**	**100,043,735**	1,478,250	96,352,336

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)



Tata Communications (Portugal) Unipessoal LDA

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services		-	-	-	-
ii	Other Income	9	**19,857**	**1,374,502**	85,573	5,577,648
iii	**Total income (i + ii)**		**19,857**	**1,374,502**	85,573	5,577,648
iv	**Expenses:**					
	Operating and other expenses	10	**49,596**	**3,433,036**	3,842	250,420
	Total expenses		**49,596**	**3,433,036**	3,842	250,420
v	**Profit / (loss) before taxes (iii - iv)**		**(29,739)**	**(2,058,534)**	81,731	5,327,228
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		**3,210**	**222,196**	4,655	303,413
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		**3,210**	**222,196**	4,655	303,413
vii	**Profit / (loss) for the year (vii-viii)**		**(32,949)**	**(2,280,730)**	77,076	5,023,815

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Investments in subsidiaries & associates

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Investments in subsidiaries	956,205	66,188,510	956,205	62,325,442
Total	956,205	66,188,510	956,205	62,325,442

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans given	459,590	31,812,820	483,749	31,530,760
Total	459,590	31,812,820	483,749	31,530,760

3 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	9,669	669,288	15,844	1,032,712
Total	9,669	669,288	15,844	1,032,712

4 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Interest Receivable	9,850	681,817	10,001	651,865
Total	9,850	681,817	10,001	651,865

5 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Indirect tax receivable	135	9,345	148	9,647
Total	135	9,345	148	9,647

6 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	1,393,444	96,454,194	1,393,444	90,824,680
Total	1,393,444	96,454,194	1,393,444	90,824,680

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

7 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**82,056**	**5,679,916**	4,980	324,596
Profit / (loss) for the year	**(32,949)**	**(2,280,730)**	77,076	5,023,815
Total	**49,107**	**3,399,186**	82,056	5,348,411

8 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	**2,750**	**190,355**	2,750	179,245
Total	**2,750**	**190,355**	2,750	179,245

9 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest on loan to subsidiaries	**19,857**	**1,374,502**	19,529	1,272,900
Exchange gain -Net	-	-	66,044	4,304,748
Total	**19,857**	**1,374,502**	85,573	5,577,648

10 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Exchange loss -Net	**45,502**	**3,149,648**	-	-
Legal and professional fees	**2,750**	**190,355**	2,750	179,245
Miscellaneous expenses	**1,253**	**86,734**	998	65,048
Rates and Taxes	**91**	**6,299**	94	6,127
Total	**49,596**	**3,433,036**	3,842	250,420

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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: 06 MAY 2019

Tata Communications (Russia) LLC

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**199,753**	**13,826,903**	73,687	4,802,918
	Capital work-in-progress		**11,790**	**816,104**	128,666	8,386,450
	Deferred tax assets (Net)		**-**	**-**	309,906	20,199,673
	Other non-current assets	2	**386**	**26,719**	2,255	146,981
			211,929	**14,669,726**	514,514	33,536,022
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	3	**3,372,301**	**233,430,675**	3,632,718	236,780,560
	(ii) Cash and cash equivalent	4	**42,020**	**2,908,624**	204,423	13,324,291
	(iii) Other financial assets	5	**41,410**	**2,866,400**	42,436	2,765,979
	Other current assets	6	**417,732**	**28,915,410**	408,776	26,644,019
			3,873,463	**268,121,109**	4,288,353	279,514,849
	TOTAL ASSETS		**4,085,392**	**282,790,835**	4,802,867	313,050,871
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	7	**87,254**	**6,039,722**	87,254	5,687,216
	Other equity	8	**3,337,537**	**231,024,312**	3,761,123	245,149,997
	Total Equity		**3,424,791**	**237,064,034**	3,848,377	250,837,213
(2)	**Non-current liabilities**					
	Deferred tax liabilities (Net)		**3,569**	**247,046**	-	-
	Other non current liabilities (Deferred revenue)		**7,402**	**512,366**	-	-
			10,971	**759,412**	-	-
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	9	**440,198**	**30,470,506**	729,635	47,557,609
	(ii) Other financial liabilities	10	**36,247**	**2,509,017**	39,485	2,573,632
	Other current liabilities	11	**17,703**	**1,225,402**	95,886	6,249,849
	Provisions	12	**26,772**	**1,853,158**	28,842	1,879,922
	Current tax liabilities (Net)		**128,710**	**8,909,306**	60,642	3,952,646
			649,630	**44,967,389**	954,490	62,213,658
	TOTAL EQUITY AND LIABILITIES		**4,085,392**	**282,790,835**	4,802,867	313,050,871

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

Tata Communications (Russia) LLC

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR	USD	INR
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	13	**1,095,606**	**75,837,847**	1,605,048	104,617,029
iii	**Total income (i + ii)**		**1,095,606**	**75,837,847**	1,605,048	104,617,029
iv	**Expenses:**					
	Network and transmission expenses	14	**436,508**	**30,215,084**	405,554	26,434,010
	Employee benefits expenses	15	**103,422**	**7,158,871**	393,712	25,662,148
	Operating and other expenses	16	**590,937**	**40,904,657**	783,684	51,080,523
	Depreciation and amortisation expenses		**36,441**	**2,522,446**	(19,152)	(1,248,327)
	Total expenses		**1,167,308**	**80,801,058**	1,563,798	101,928,354
v	**Profit / (loss) before exceptional items and taxes (iii - iv)**		**(71,702)**	**(4,963,211)**	41,250	2,688,675
vi	**Exceptional items (income / expenses):**					
	Staff cost optimisation		**35,756**	**2,475,030**	(158,438)	(10,326,989)
vii	**Profit before taxes (v - vi)**		**(35,946)**	**(2,488,181)**	(117,188)	(7,638,314)
viiii	**Tax expenses**					
	(i) Current tax expense/(benefit)		**74,165**	**5,133,701**	-	-
	(ii) Deferred tax expense/(benefit)		**313,475**	**21,698,740**	(162,189)	(10,571,479)
	Net tax expenses		**387,640**	**26,832,441**	(162,189)	(10,571,479)
ix	**Profit / (loss) for the year (vii-viii)**		**(423,586)**	**(29,320,622)**	45,001	2,933,165

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**1,123,198**	**77,747,766**	960,691	62,617,839
Computers	**1,925**	**133,249**	3,538	230,607
(a)	**1,125,123**	**77,881,015**	964,229	62,848,446
Accumulated depreciation:				
Plant and machinery	**923,445**	**63,920,863**	887,004	57,814,921
Computers	**1,925**	**133,249**	3,538	230,607
(b)	**925,370**	**64,054,112**	890,542	58,045,528
Net block (a) - (b)	**199,753**	**13,826,903**	73,687	4,802,918

2 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	**386**	**26,719**	2,255	146,981
Total	**386**	**26,719**	2,255	146,981

3 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	**29,974**	**2,074,800**	14,687	957,299
Intercompany receivables	**3,342,327**	**231,355,875**	3,618,031	235,823,261
Total	**3,372,301**	**233,430,675**	3,632,718	236,780,560

4 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	**42,020**	**2,908,624**	204,423	13,324,291
Total	**42,020**	**2,908,624**	204,423	13,324,291

5 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Security Deposit	**16,560**	**1,146,283**	20,000	1,303,600
Advances to employees	**2,284**	**158,098**	538	35,067
Others	**22,566**	**1,562,019**	21,898	1,427,312
Total	**41,410**	**2,866,400**	42,436	2,765,979

6 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	17,125	1,185,393	14,630	953,583
Indirect tax receivable	400,607	27,730,017	394,146	25,690,436
Total	417,732	28,915,410	408,776	26,644,019

7 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	87,254	6,039,722	87,254	5,687,216
Total	87,254	6,039,722	87,254	5,687,216

8 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	3,761,123	260,344,934	3,716,122	242,216,832
Profit / (loss) for the year	(423,586)	(29,320,622)	45,001	2,933,165
Total	3,337,537	231,024,312	3,761,123	245,149,997

9 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	440,198	30,470,506	729,635	47,557,609
Total	440,198	30,470,506	729,635	47,557,609

10 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Others	36,247	2,509,017	39,485	2,573,632
Total	36,247	2,509,017	39,485	2,573,632

11 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	3,999	276,811	-	-
Other Employee dues	13,704	948,591	95,886	6,249,849
Total	**17,703**	**1,225,402**	95,886	6,249,849

12 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	26,772	1,853,158	28,842	1,879,922
Total	**26,772**	**1,853,158**	28,842	1,879,922

13 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	1,095,606	75,837,847	1,605,048	104,617,029
Total	**1,095,606**	**75,837,847**	1,605,048	104,617,029

14 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	436,508	30,215,084	405,554	26,434,010
Total	**436,508**	**30,215,084**	405,554	26,434,010

15 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	103,422	7,158,871	393,035	25,618,021
Staff welfare expenses	-	-	677	44,127
Total	**103,422**	**7,158,871**	393,712	25,662,148

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

16 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	773	53,507	451	29,396
Auditors remuneration	50,000	3,461,000	35,000	2,281,300
Communication expenses	4,273	295,777	8,760	570,977
Donations	745	51,569	1,412	92,034
Entertainment expenses	919	63,613	5,070	330,463
Exchange loss -Net	18,507	1,281,055	79,964	5,212,054
Insurance expenses	11,311	782,947	11,471	747,680
IT consumables	-	-	56	3,650
Legal and professional fees	191,568	13,260,337	182,482	11,894,177
Miscellaneous expenses	53,928	3,732,896	157,371	10,257,441
Printing and stationery	5,461	378,010	11,819	770,362
Rates and Taxes	122,443	8,475,504	120,654	7,864,228
Rent	100,348	6,946,089	144,885	9,443,604
Repairs and Maintenance - Plant & Machinery	23,234	1,608,257	18,084	1,178,715
Seminars, trainings and conferences	11	761	-	-
Services rendered by agencies	293	20,281	402	26,202
Travelling and conveyance expenses	7,123	493,054	5,803	378,240
Total	590,937	40,904,657	783,684	51,080,523

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021, India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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 * MUMBAI * Chartered Accountants

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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.

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Place Mumbai
Date: 06 MAY 2019

Tata Communications (Spain) SL

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**5,323,669**	**368,504,369**	6,290,903	410,041,057
	Capital work-in-progress		**357,744**	**24,763,040**	74,564	4,860,082
	Other intangible assets	2	**10,840**	**750,345**	-	-
	Financial assets					
	(i) Loans	3	**10,732,599**	**742,910,503**	6,254,636	407,677,174
	(ii) Other financial assets	4	**188,868**	**13,073,443**	201,080	13,106,394
	Non current tax asset		**162,154**	**11,224,300**	46,523	3,032,369
	Other non-current assets	5	**29,839**	**2,065,456**	21,277	1,386,835
			16,805,713	**1,163,291,456**	12,888,983	840,103,911
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	6	**2,571,016**	**177,965,728**	5,549,881	361,741,244
	(ii) Cash and cash equivalent	7	**79,138**	**5,477,932**	61,092	3,981,977
	(iii) Other financial assets	8	**129,764**	**8,982,264**	56,094	3,656,207
	Other current assets	9	**1,495,826**	**103,541,075**	1,669,367	108,809,340
			4,275,744	**295,966,999**	7,336,434	478,188,768
	TOTAL ASSETS		**21,081,457**	**1,459,258,455**	20,225,417	1,318,292,679
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	10	**537,610**	**37,213,364**	537,610	35,041,420
	Other equity	11	**15,032,760**	**1,040,567,647**	13,395,807	873,138,698
	Total Equity		**15,570,370**	**1,077,781,011**	13,933,417	908,180,118
(2)	**Non-current liabilities**					
	Provisions	12	**692,022**	**47,901,763**	661,618	43,124,261
	Other non current liabilities (Deferred revenue)		**167,857**	**11,619,062**	212,559	13,854,596
			859,879	**59,520,825**	874,177	56,978,857
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	13	**4,056,830**	**280,813,773**	4,670,918	304,450,435
	(ii) Other financial liabilities	14	**16,756**	**1,159,851**	49,883	3,251,374
	Other current liabilities	15	**524,529**	**36,307,898**	638,521	41,618,800
	Provisions	16	**53,093**	**3,675,097**	58,501	3,813,095
			4,651,208	**321,956,619**	5,417,823	353,133,704
	TOTAL EQUITY AND LIABILITIES		**21,081,457**	**1,459,258,455**	20,225,417	1,318,292,679

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

Tata Communications (Spain) SL

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	17	**16,325,107**	**1,130,023,907**	22,833,959	1,488,317,448
ii	Other Income	18	**1,464,500**	**101,372,689**	881,327	57,444,893
iii	**Total income (i + ii)**		17,789,607	1,231,396,596	23,715,286	1,545,762,341
iv	**Expenses:**					
	Network and transmission expenses	19	**8,594,951**	**594,942,508**	15,844,773	1,032,762,304
	Employee benefits expenses	20	**2,675,480**	**185,196,726**	2,628,096	171,299,297
	Operating and other expenses	21	**2,645,295**	**183,107,318**	1,925,704	125,517,389
	Finance costs	22	**87,591**	**6,063,049**	51,427	3,352,012
	Depreciation and amortisation expenses		**1,780,071**	**123,216,515**	1,498,017	97,640,748
	Total expenses		**15,783,388**	**1,092,526,116**	21,948,017	1,430,571,750
v	**Profit before exceptional items and taxes (iii - iv)**		**2,006,219**	**138,870,480**	1,767,269	115,190,591
vi	**Exceptional items:**					
	Staff cost optimisation		**(21,341)**	**(1,477,224)**	(204,795)	(13,348,538)
vii	**Profit / (loss) before taxes (v - vi)**		**1,984,878**	**137,393,256**	1,562,474	101,842,053
viiii	**Tax expenses**					
	(i) Current tax expense/(benefit)		**347,925**	**24,083,369**	34,692	2,261,225
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		**347,925**	**24,083,369**	34,692	2,261,225
ix	**Profit / (loss) for the year (vii-viii)**		**1,636,953**	**113,309,887**	1,527,782	99,580,828

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Land	**115,191**	**7,973,521**	115,191	7,508,149
Building	**701,401**	**48,550,977**	420,918	27,435,435
Lease hold improvement	**355,725**	**24,623,285**	355,725	23,186,156
Cables	**8,376,331**	**579,809,632**	8,358,726	544,821,761
Plant and machinery	**12,227,840**	**846,411,085**	13,020,999	848,708,715
Furniture and fixtures	**59,068**	**4,088,687**	47,605	3,102,894
Computers	**35,764**	**2,475,584**	42,489	2,769,433
Office equipment	**152,864**	**10,581,246**	145,223	9,465,635
(a)	**22,024,184**	**1,524,514,017**	22,506,876	1,466,998,178
Accumulated depreciation:				
Building	**303,422**	**21,002,871**	208,860	13,613,495
Lease hold improvement	**325,644**	**22,541,078**	182,660	11,905,779
Cables	**6,008,507**	**415,908,855**	5,407,149	352,437,972
Plant and machinery	**9,931,033**	**687,426,104**	10,292,105	670,839,404
Furniture and fixtures	**35,683**	**2,469,977**	31,285	2,039,156
Computers	**33,093**	**2,290,697**	39,055	2,545,605
Office equipment	**63,133**	**4,370,066**	54,859	3,575,710
(b)	**16,700,515**	**1,156,009,648**	16,215,973	1,056,957,121
Net block (a) - (b)	**5,323,669**	**368,504,369**	6,290,903	410,041,057

2 Other intangible assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Computer software	**40,660**	**2,814,485**	25,650	1,671,867
(a)	**40,660**	**2,814,485**	25,650	1,671,867
Accumulated amortisation:				
Computer software	**29,820**	**2,064,140**	25,650	1,671,867
(b)	**29,820**	**2,064,140**	25,650	1,671,867
Net block (a) - (b)	**10,840**	**750,345**	-	-

3 Non-current assets - financial assets - loans

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans given	**10,732,599**	**742,910,503**	6,254,636	407,677,174
Total	**10,732,599**	**742,910,503**	6,254,636	407,677,174

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Vendor deposits	188,868	13,073,443	201,080	13,106,394
Total	188,868	13,073,443	201,080	13,106,394

5 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	29,839	2,065,456	21,277	1,386,835
Total	29,839	2,065,456	21,277	1,386,835

6 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	2,640,681	182,787,939	2,741,579	178,696,119
Intercompany receivables	-	-	2,854,138	186,032,715
Provision for doubtful debts	(69,665)	(4,822,211)	(45,836)	(2,987,590)
Total	2,571,016	177,965,728	5,549,881	361,741,244

7 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	79,138	5,477,932	61,092	3,981,977
Total	79,138	5,477,932	61,092	3,981,977

8 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Advances to employees	39,379	2,725,814	8,544	556,898
Interest Receivable	78,823	5,456,128	45,432	2,961,258
Others	11,562	800,322	2,118	138,051
Total	129,764	8,982,264	56,094	3,656,207

9 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	55,056	3,810,976	69,367	4,521,341
Other Advances	8	554	8	521
Prepaid expenses	344,332	23,834,661	193,990	12,644,268
Indirect tax receivable	1,095,724	75,846,015	1,406,002	91,643,210
Others	706	48,869	-	-
Total	**1,495,826**	**103,541,075**	1,669,367	108,809,340

10 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	537,610	37,213,364	537,610	35,041,420
Total	**537,610**	**37,213,364**	537,610	35,041,420

11 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(4,738,981)	(328,032,265)	(6,266,763)	(408,467,612)
Profit / (loss) for the year	1,636,953	113,309,887	1,527,782	99,580,828
Closing balance	(3,102,028)	(214,722,378)	(4,738,981)	(308,886,784)
Share premium	18,134,788	1,255,290,025	18,134,788	1,182,025,482
Total	**15,032,760**	**1,040,567,647**	13,395,807	873,138,698

12 Non-current liabilities - provisions

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Asset retirement obligation and others	692,022	47,901,763	661,618	43,124,261
Total	**692,022**	**47,901,763**	661,618	43,124,261

13 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	3,558,332	246,307,741	4,670,918	304,450,435
Inter Company - Payables	498,498	34,506,032	-	-
Total	**4,056,830**	**280,813,773**	4,670,918	304,450,435

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

14 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deposit from customers and contractors	13,457	931,494	14,769	962,643
Interest accrued but not due	3,299	228,357	-	-
Others	-	-	35,114	2,288,731
Total	**16,756**	**1,159,851**	49,883	3,251,374

15 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	130,839	9,056,676	90,931	5,926,883
Other Employee dues	393,690	27,251,222	546,315	35,608,812
Others	-	-	1,275	83,105
Total	**524,529**	**36,307,898**	638,521	41,618,800

16 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	53,093	3,675,097	58,501	3,813,095
Total	**53,093**	**3,675,097**	58,501	3,813,095

17 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	16,325,107	1,130,023,907	22,833,959	1,488,317,448
Total	**16,325,107**	**1,130,023,907**	22,833,959	1,488,317,448

18 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest on loan to subsidiaries	417,379	28,890,974	250,530	16,329,545
Exchange gain -Net	326,202	22,579,702	51,697	3,369,610
Miscellaneous income	720,919	49,902,013	579,100	37,745,738
Total	**1,464,500**	**101,372,689**	881,327	57,444,893

19 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	8,594,951	594,942,508	15,844,773	1,032,762,304
Total	**8,594,951**	**594,942,508**	15,844,773	1,032,762,304

20 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	2,610,016	180,665,308	2,569,701	167,493,111
Staff welfare expenses	65,464	4,531,418	58,395	3,806,186
Total	**2,675,480**	**185,196,726**	2,628,096	171,299,297

21 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	884,775	61,244,126	205,763	13,411,632
Auditors remuneration	66,000	4,568,520	62,700	4,086,786
Communication expenses	22,625	1,566,103	44,341	2,890,146
Electricity	500,068	34,614,707	442,743	28,857,989
Insurance expenses	21,283	1,473,209	19,685	1,283,068
IT consumables	1,505	104,176	228	14,861
Legal and professional fees	116,037	8,032,081	87,698	5,716,156
Miscellaneous expenses	215,332	14,905,278	308,493	20,107,576
Printing and stationery	6,492	449,376	8,148	531,087
Provision for doubtful debts	23,829	1,649,443	(118,415)	(7,718,290)
Rates and Taxes	90,262	6,247,936	54,490	3,551,658
Recruitment expenses	559	38,694	-	-
Relocation Expense	4,649	321,804	-	-
Rent	102,566	7,099,619	105,422	6,871,406
Repairs and Maintenance - Plant & Machinery	334,573	23,159,143	387,204	25,237,957
Repairs and Maintenance -Building	89,425	6,189,999	24,912	1,623,764
Security charges	3,433	237,632	906	59,053
Seminars, trainings and conferences	29,629	2,050,919	13,381	872,174
Services rendered by agencies	46,918	3,247,664	48,202	3,141,806
Bad debts written off	-	-	128,783	8,394,076
Travelling and conveyance expenses	85,335	5,906,889	101,020	6,584,484
Total	**2,645,295**	**183,107,318**	1,925,704	125,517,389

22 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	82,000	5,676,040	51,320	3,345,038
Guarantee fees	5,591	387,009	107	6,974
Total	**87,591**	**6,063,049**	51,427	3,352,012

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 (Sweden) AB** ("the subsidiary") registered in Sweden as at 31 March 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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: 06 MAY 2019

Tata Communications (Sweden) AB

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**312,035**	**21,599,062**	313,696	20,446,706
	Capital work-in-progress		**18,266**	**1,264,373**	19,648	1,280,657
	Deferred tax assets (Net)		**90,498**	**6,264,272**	100,138	6,526,995
	Non current tax asset		-	-	5,605	365,334
	Other non-current assets	2	**3,155**	**218,389**	-	-
			423,954	**29,346,096**	439,087	28,619,692
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	3	**245,593**	**16,999,948**	451,907	29,455,298
	(ii) Cash and cash equivalent	4	**61,521**	**4,258,484**	18,194	1,185,885
	(iii) Other financial assets	5	**1,907**	**132,003**	1,125	73,328
	Other current assets	6	**319,659**	**22,126,796**	4,144	270,106
			628,680	**43,517,231**	475,370	30,984,617
	TOTAL ASSETS		**1,052,634**	**72,863,327**	914,457	59,604,309
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	7	**364,779**	**25,250,002**	364,779	23,776,295
	Other equity	8	**(106,206)**	**(7,351,577)**	(83,569)	(5,447,026)
	Total Equity		**258,573**	**17,898,425**	281,210	18,329,269
(2)	**Non-current liabilities**					
	Other non current liabilities (Deferred revenue)		**32,112**	**2,222,793**	-	-
			32,112	**2,222,793**	-	-
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	9	**212,079**	**14,680,108**	116,594	7,599,597
	(ii) Trade payables	10	**501,984**	**34,747,332**	485,345	31,634,787
	(iii) Other financial liabilities	11	**15,019**	**1,039,615**	10,034	654,017
	Other current liabilities	12	**32,867**	**2,275,054**	21,274	1,386,639
			761,949	**52,742,109**	633,247	41,275,040
	TOTAL EQUITY AND LIABILITIES		**1,052,634**	**72,863,327**	914,457	59,604,309

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Tata Communications (Sweden) AB

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	13	**1,340,208**	**92,769,198**	1,441,603	93,963,684
ii	Other Income	14	**8,431**	**583,594**	1,124	73,262
iii	**Total income (i + ii)**		**1,348,639**	**93,352,792**	1,442,727	94,036,946
iv	**Expenses:**					
	Network and transmission expenses	15	**421,202**	**29,155,602**	636,436	41,482,898
	Operating and other expenses	16	**822,856**	**56,958,091**	713,356	46,496,543
	Finance costs	17	**21,237**	**1,470,025**	10,204	665,097
	Depreciation and amortisation expenses		**90,736**	**6,280,746**	76,355	4,976,819
	Total expenses		**1,356,031**	**93,864,464**	1,436,351	93,621,357
v	**Profit / (loss) before taxes (iii -iv)**		**(7,392)**	**(511,672)**	6,376	415,589
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		**5,605**	**387,978**	-	-
	(ii) Deferred tax expense/(benefit)		**9,640**	**667,281**	(8,383)	(546,404)
	Net tax expenses		**15,245**	**1,055,259**	(8,383)	(546,404)
vii	**Profit / (loss) for the year (v-vi)**		**(22,637)**	**(1,566,931)**	14,759	961,993

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**1,328,728**	**91,974,552**	1,334,899	87,008,717
Office equipment	**2,104**	**145,639**	2,104	137,139
(a)	**1,330,832**	**92,120,191**	1,337,003	87,145,856
Accumulated depreciation:				
Plant and machinery	**1,017,548**	**70,434,673**	1,022,321	66,634,883
Office equipment	**1,249**	**86,456**	986	64,267
(b)	**1,018,797**	**70,521,129**	1,023,307	66,699,150
Net block (a) - (b)	**312,035**	**21,599,062**	313,696	20,446,706

2 Non-current assets - others

Profit / (loss) before taxes (iii -iv)

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	**3,155**	**218,389**	-	-
Total	**3,155**	**218,389**	-	-

3 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	**33,748**	**2,336,037**	297,785	19,409,626
Intercompany receivables	**211,910**	**14,668,410**	154,311	10,057,991
Provision for doubtful debts	**(65)**	**(4,499)**	(189)	(12,319)
Total	**245,593**	**16,999,948**	451,907	29,455,298

4 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	**61,521**	**4,258,484**	18,194	1,185,885
Total	**61,521**	**4,258,484**	18,194	1,185,885

5 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Interest Receivable	-	-	1,125	73,328
Others	1,907	132,003	-	-
Total	**1,907**	**132,003**	1,125	73,328

6 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	14,434	999,121	4,144	270,106
Indirect tax receivable	305,225	21,127,675	-	-
Total	**319,659**	**22,126,796**	4,144	270,106

7 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	364,779	25,250,002	364,779	23,776,295
Total	**364,779**	**25,250,002**	364,779	23,776,295

8 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(83,569)	(5,784,646)	(98,328)	(6,409,019)
Profit / (loss) for the year	(22,637)	(1,566,931)	14,759	961,993
Total	**(106,206)**	**(7,351,577)**	(83,569)	(5,447,026)

9 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans taken	212,079	14,680,108	116,594	7,599,597
Total	**212,079**	**14,680,108**	116,594	7,599,597

10 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	501,984	34,747,332	485,345	31,634,787
Total	501,984	34,747,332	485,345	31,634,787

11 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Interest accrued but not due	15,019	1,039,615	1,914	124,755
Others	-	-	8,120	529,262
Total	15,019	1,039,615	10,034	654,017

12 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	24,648	1,706,135	-	-
Other Statutory dues	8,219	568,919	21,274	1,386,639
Total	32,867	2,275,054	21,274	1,386,639

13 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	1,340,208	92,769,198	1,441,603	93,963,684
Total	1,340,208	92,769,198	1,441,603	93,963,684

14 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest on loan to subsidiaries	-	-	1,124	73,262
Exchange gain -Net	8,431	583,594	-	-
Total	8,431	583,594	1,124	73,262

15 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	421,202	29,155,602	636,436	41,482,898
Total	421,202	29,155,602	636,436	41,482,898

16 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	**49,970**	**3,458,923**	-	-
Auditors remuneration	**24,200**	**1,675,124**	24,200	1,577,356
Communication expenses	**845**	**58,491**	370	24,117
Electricity	**53,059**	**3,672,744**	56,881	3,707,504
Exchange loss -Net	-	-	18,150	1,183,017
Insurance expenses	**569**	**39,386**	1,718	111,979
Legal and professional fees	**40,755**	**2,821,061**	32,271	2,103,424
Miscellaneous expenses	**3,817**	**264,212**	2,915	189,999
Provision for doubtful debts	**(124)**	**(8,583)**	(1,420)	(92,556)
Rent	-	-	543	35,393
Repairs and Maintenance - Plant & Machinery	**650,197**	**45,006,636**	572,801	37,335,169
Services rendered by agencies	**(432)**	**(29,903)**	3,261	212,552
Bad debts written off	-	-	1,608	104,809
Travelling and conveyance expenses	-	-	58	3,780
Total	**822,856**	**56,958,091**	713,356	46,496,543

17 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	**20,106**	**1,391,737**	9,273	604,414
Guarantee fees	**1,131**	**78,288**	931	60,683
Total	**21,237**	**1,470,025**	10,204	665,097

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Place Mumbai
Date: 06 MAY 2019

Tata Communications (Switzerland) GmbH

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**448,203**	**31,024,612**	340,085	22,166,740
	Capital work-in-progress		**1,018**	**70,466**	38,431	2,504,933
	Financial assets					
	(i) Loans	2	**266,674**	**18,459,174**	77,014	5,019,773
	(ii) Other financial assets	3	**4,969**	**343,954**	5,169	336,915
	Deferred tax assets (Net)		**8,419**	**582,763**	11,230	731,971
	Other non-current assets	4	**18,399**	**1,273,579**	4,740	308,953
			747,682	**51,754,548**	476,669	31,069,285
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	5	**970,302**	**67,164,304**	347,122	22,625,412
	(ii) Other financial assets	6	**31,794**	**2,200,781**	4,685	305,368
	Other current assets	7	**25,986**	**1,798,751**	22,522	1,467,984
			1,028,082	**71,163,836**	374,329	24,398,764
	TOTAL ASSETS		**1,775,764**	**122,918,384**	850,998	55,468,049
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	8	**474,414**	**32,838,937**	474,414	30,922,305
	Other equity	9	**34,732**	**2,404,150**	645	42,041
	Total Equity		**509,146**	**35,243,087**	475,059	30,964,346
(2)	**Non-current liabilities**					
	Other non current liabilities (Deferred revenue)		**3,010**	**208,352**	-	-
			3,010	**208,352**	-	-
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	10	**1,166,593**	**80,751,567**	321,606	20,962,279
	(ii) Other financial liabilities	11	**24,930**	**1,725,655**	15,064	981,871
	Other current liabilities	12	**72,085**	**4,989,723**	27,791	1,811,417
	Current tax liabilities (Net)		-	-	11,478	748,136
			1,263,608	**87,466,945**	375,939	24,503,703
	TOTAL EQUITY AND LIABILITIES		**1,775,764**	**122,918,384**	850,998	55,468,049

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

Tata Communications (Switzerland) GmbH

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	13	**3,139,715**	**217,331,072**	1,887,009	122,995,247
ii	Other Income	14	**30,941**	**2,141,736**	13,491	879,343
iii	**Total income (i + ii)**		**3,170,656**	**219,472,808**	1,900,500	123,874,590
iv	**Expenses:**					
	Network and transmission expenses	15	**2,747,132**	**190,156,477**	1,570,427	102,360,432
	Operating and other expenses	16	**278,946**	**19,308,641**	204,864	13,353,036
	Finance costs	17	**16,660**	**1,153,205**	8,319	542,232
	Depreciation and amortisation expenses		**102,499**	**7,094,981**	76,095	4,959,872
	Total expenses		**3,145,237**	**217,713,304**	1,859,705	121,215,572
v	**Profit / (loss) before taxes (iii - iv)**		**25,419**	**1,759,504**	40,795	2,659,018
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		**(11,479)**	**(794,576)**	-	-
	(ii) Deferred tax expense/(benefit)		**2,811**	**194,577**	6,821	444,593
	Net tax expenses		**(8,668)**	**(599,999)**	6,821	444,593
vii	**Profit / (loss) for the year (v-vi)**		**34,087**	**2,359,503**	33,974	2,214,425

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**1,110,963**	**76,900,859**	1,054,907	68,758,838
(a)	**1,110,963**	**76,900,859**	1,054,907	68,758,838
Accumulated depreciation:				
Plant and machinery	**662,760**	**45,876,247**	714,822	46,592,098
(b)	**662,760**	**45,876,247**	714,822	46,592,098
Net block (a) - (b)	**448,203**	**31,024,612**	340,085	22,166,740

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans given	**266,674**	**18,459,174**	77,014	5,019,773
Total	**266,674**	**18,459,174**	77,014	5,019,773

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Vendor deposits	**4,969**	**343,954**	5,169	336,915
Total	**4,969**	**343,954**	5,169	336,915

4 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	**18,399**	**1,273,579**	4,740	308,953
Total	**18,399**	**1,273,579**	4,740	308,953

5 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	**974,677**	**67,467,142**	299,460	19,518,803
Intercompany receivables	**-**	**-**	49,633	3,235,079
Provision for doubtful debts	**(4,375)**	**(302,838)**	(1,971)	(128,470)
Total	**970,302**	**67,164,304**	347,122	22,625,412

6 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Interest Receivable	23,430	1,621,825	4,685	305,368
Others	8,364	578,956	-	-
Total	**31,794**	**2,200,781**	4,685	305,368

7 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	25,986	1,798,751	22,522	1,467,984
Total	**25,986**	**1,798,751**	22,522	1,467,984

8 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	474,414	32,838,937	474,414	30,922,305
Total	**474,414**	**32,838,937**	474,414	30,922,305

9 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	645	44,647	(33,329)	(2,172,384)
Profit / (loss) for the year	34,087	2,359,503	33,974	2,214,425
Total	**34,732**	**2,404,150**	645	42,041

10 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	434,219	30,056,639	321,606	20,962,279
Inter Company - Payables	732,374	50,694,928	-	-
Total	**1,166,593**	**80,751,567**	321,606	20,962,279

11 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deposit from customers and contractors	10,000	692,200	10,000	651,800
Interest accrued but not due	14,930	1,033,455	1,417	92,360
Others	-	-	3,647	237,711
Total	**24,930**	**1,725,655**	15,064	981,871

12 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	11,311	782,947	-	-
Other Statutory dues	60,774	4,206,776	27,791	1,811,417
Total	72,085	4,989,723	27,791	1,811,417

13 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	3,139,715	217,331,072	1,887,009	122,995,247
Total	3,139,715	217,331,072	1,887,009	122,995,247

14 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest on loan to subsidiaries	30,911	2,139,659	13,491	879,343
Miscellaneous income	30	2,077	-	-
Total	30,941	2,141,736	13,491	879,343

15 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	2,747,132	190,156,477	1,570,427	102,360,432
Total	2,747,132	190,156,477	1,570,427	102,360,432

16 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Auditors remuneration	12,100	837,562	12,100	788,678
Communication expenses	216	14,952	420	27,376
Electricity	20,514	1,419,979	15,851	1,033,168
Exchange loss -Net	78,829	5,456,543	14,638	954,105
Insurance expenses	9,944	688,324	7,861	512,380
Legal and professional fees	96,936	6,709,910	116,995	7,625,734
Miscellaneous expenses	5,796	401,198	7,175	467,666
Provision for doubtful debts	2,405	166,474	1,559	101,616
Rates and Taxes	2,485	172,012	1,132	73,784
Rent	-	-	402	26,202
Repairs and Maintenance - Plant & Machinery	38,661	2,676,114	21,165	1,379,535
Services rendered by agencies	11,060	765,573	5,566	362,792
Total	278,946	19,308,641	204,864	13,353,036

17 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	16,170	1,119,287	7,290	475,162
Guarantee fees	490	33,918	1,029	67,070
Total	16,660	1,153,205	8,319	542,232

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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: 06 MAY 2019

Tata Communications (Taiwan) Ltd.

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**353,281**	**24,454,111**	401,189	26,149,499
	Capital work-in-progress		**7,125**	**493,193**	6,374	415,457
	Deferred tax assets (Net)		**51,970**	**3,597,363**	8,350	544,253
	Non current tax asset		**-**	**-**	10,525	686,020
	Other non-current assets	2	**1,054**	**72,958**	1,578	102,854
			413,430	**28,617,625**	428,016	27,898,083
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	3	**875,561**	**60,606,333**	471,093	30,705,842
	(ii) Cash and cash equivalent	4	**290,793**	**20,128,691**	378,495	24,670,304
	(iii) Other financial assets	5	**12,348**	**854,729**	-	-
	Other current assets	6	**105,258**	**7,285,959**	10,686	696,513
			1,283,960	**88,875,712**	860,274	56,072,659
	TOTAL ASSETS		**1,697,390**	**117,493,337**	1,288,290	83,970,742
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	7	**7,871**	**544,831**	7,871	513,032
	Other equity	8	**(48,823)**	**(3,379,526)**	(71,480)	(4,659,067)
	Total Equity		**(40,952)**	**(2,834,695)**	(63,609)	(4,146,035)
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	9	**1,435,474**	**99,363,510**	1,204,017	78,477,828
	(ii) Trade payables	10	**177,249**	**12,269,176**	63,411	4,133,129
	(iii) Other financial liabilities	11	**29,147**	**2,017,555**	28,284	1,843,551
	Other current liabilities	12	**69,839**	**4,834,255**	49,631	3,234,949
	Provisions	13	**12,456**	**862,204**	6,556	427,320
	Current tax liabilities (Net)		**14,177**	**981,332**	-	-
			1,738,342	**120,328,032**	1,351,899	88,116,777
	TOTAL EQUITY AND LIABILITIES		**1,697,390**	**117,493,337**	1,288,290	83,970,742

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

Tata Communications (Taiwan) Ltd.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	14	**2,662,397**	**184,291,120**	1,975,758	128,779,906
ii	Other Income	15	**22**	**1,523**	5,154	335,937
iii	**Total income (i + ii)**		**2,662,419**	**184,292,643**	1,980,912	129,115,843
iv	**Expenses:**					
	Network and transmission expenses	16	**1,680,154**	**116,300,260**	1,196,603	77,994,584
	Employee benefits expenses	17	**561,747**	**38,884,128**	458,773	29,902,824
	Operating and other expenses	18	**272,655**	**18,873,175**	195,766	12,760,026
	Finance costs	19	**58,880**	**4,075,674**	58,177	3,791,977
	Depreciation and amortisation expenses		**82,496**	**5,710,373**	72,339	4,715,056
	Total expenses		**2,655,932**	**183,843,610**	1,981,658	129,164,467
v	**Profit / (loss) before taxes (iii -iv)**		**6,487**	**449,033**	(746)	(48,624)
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		**27,450**	**1,900,089**	16,870	1,099,587
	(ii) Deferred tax expense/(benefit)		**(43,620)**	**(3,019,376)**	5,926	386,257
	Net tax expenses		**(16,170)**	**(1,119,287)**	22,796	1,485,844
vii	**Profit / (loss) for the year (v-vi)**		**22,657**	**1,568,320**	(23,542)	(1,534,468)

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	969,227	67,089,893	934,639	60,919,770
Computers	752	52,053	752	49,015
(a)	969,979	67,141,946	935,391	60,968,785
Accumulated depreciation:				
Plant and machinery	615,946	42,635,782	533,450	34,770,271
Computers	752	52,053	752	49,015
(b)	616,698	42,687,835	534,202	34,819,286
Net block (a) - (b)	353,281	24,454,111	401,189	26,149,499

2 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	1,054	72,958	1,578	102,854
Total	1,054	72,958	1,578	102,854

3 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	630,028	43,610,538	408,203	26,606,672
Intercompany receivables	245,703	17,007,562	62,890	4,099,170
Provision for doubtful debts	(170)	(11,767)	-	-
Total	875,561	60,606,333	471,093	30,705,842

4 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	290,793	20,128,691	378,495	24,670,304
Total	290,793	20,128,691	378,495	24,670,304

5 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Security Deposit	10,559	730,894	-	-
Advances to employees	1,789	123,835	-	-
Total	12,348	854,729	-	-

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

6 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	104,573	7,238,543	4,069	265,217
Indirect tax receivable	685	47,416	6,617	431,296
Total	**105,258**	**7,285,959**	10,686	696,513

7 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	7,871	544,831	7,871	513,032
Total	**7,871**	**544,831**	7,871	513,032

8 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(71,480)	(4,947,846)	(47,938)	(3,124,599)
Profit / (loss) for the year	22,657	1,568,320	(23,542)	(1,534,468)
Total	**(48,823)**	**(3,379,526)**	(71,480)	(4,659,067)

9 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans taken	1,435,474	99,363,510	1,204,017	78,477,828
Total	**1,435,474**	**99,363,510**	1,204,017	78,477,828

10 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	177,249	12,269,176	63,411	4,133,129
Total	**177,249**	**12,269,176**	63,411	4,133,129

11 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Interest accrued but not due	29,100	2,014,302	28,284	1,843,551
Total	**29,147**	**2,017,555**	28,284	1,843,551

12 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	5,552	384,309	-	-
Other Employee dues	64,287	4,449,946	49,631	3,234,949
Total	**69,839**	**4,834,255**	49,631	3,234,949

13 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	12,456	862,204	6,556	427,320
Total	**12,456**	**862,204**	6,556	427,320

14 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	2,662,397	184,291,120	1,975,758	128,779,906
Total	**2,662,397**	**184,291,120**	1,975,758	128,779,906

15 Other income

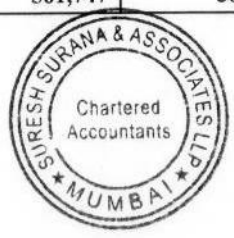
Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest income - others	6	415	8	521
Exchange gain -Net	-	-	5,145	335,351
Miscellaneous income	16	1,108	1	65
Total	**22**	**1,523**	5,154	335,937

16 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	1,680,154	116,300,260	1,196,603	77,994,584
Total	**1,680,154**	**116,300,260**	1,196,603	77,994,584

17 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	555,617	38,459,809	456,926	29,782,437
Staff welfare expenses	6,130	424,319	1,847	120,387
Total	**561,747**	**38,884,128**	458,773	29,902,824



18 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	870	60,221	-	-
Communication expenses	6,906	478,033	4,321	281,643
CSR expenses	980	67,836	-	-
Electricity	40,637	2,812,893	34,845	2,271,197
Entertainment expenses	19,836	1,373,048	6,063	395,186
Exchange loss -Net	10,805	747,922	-	-
Insurance expenses	10,475	725,080	7,011	456,977
IT consumables	782	54,130	910	59,314
Legal and professional fees	46,795	3,239,150	30,287	1,974,107
Miscellaneous expenses	14,961	1,035,596	14,831	966,681
Printing and stationery	568	39,317	99	6,453
Provision for doubtful debts	170	11,767	-	-
Recruitment expenses	157	10,868	-	-
Rent	23,201	1,605,973	-	-
Repairs and Maintenance - Plant & Machinery	20,694	1,432,439	50,914	3,318,575
Seminars, trainings and conferences	-	-	82	5,345
Services rendered by agencies	7,428	514,166	5,905	384,888
Travelling and conveyance expenses	67,390	4,664,736	40,498	2,639,660
Total	272,655	18,873,175	195,766	12,760,026

19 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	54,658	3,783,427	53,322	3,475,528
Guarantee fees	4,222	292,247	4,855	316,449
Total	58,880	4,075,674	58,177	3,791,977

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021, India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093, India. T +91 (22) 6191 5555

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: 06 MAY 2019

Tata Communications (Thailand) Limited

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**64,386**	**4,456,799**	44,138	2,876,914
	Other non-current assets	2	**3,506**	**242,685**	-	-
			67,892	**4,699,484**	44,138	2,876,914
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	3	**29,518**	**2,043,236**	10,687	696,579
	(ii) Cash and cash equivalent	4	**376,300**	**26,047,486**	416,696	27,160,245
	(iii) Other financial assets	5	**4,875**	**337,448**	-	-
	Other current assets	6	**9,678**	**669,911**	2,666	173,770
			420,371	**29,098,081**	430,049	28,030,594
	TOTAL ASSETS		**488,263**	**33,797,565**	474,187	30,907,508
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	7	**588,462**	**40,733,340**	588,462	38,355,953
	Other equity	8	**(156,346)**	**(10,822,271)**	(163,702)	(10,670,097)
	Total Equity		**432,116**	**29,911,069**	424,760	27,685,856
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	9	-	-	7,612	496,150
	(ii) Trade payables	10	**48,317**	**3,344,503**	38,191	2,489,289
	(iii) Other financial liabilities	11	**453**	**31,357**	1,494	97,379
	Other current liabilities	12	**5,804**	**401,753**	1,825	118,954
	Provisions	13	**1,278**	**88,463**	-	-
	Current tax liabilities (Net)		**295**	**20,420**	305	19,880
			56,147	**3,886,496**	49,427	3,221,652
	TOTAL EQUITY AND LIABILITIES		**488,263**	**33,797,565**	474,187	30,907,508

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

Tata Communications (Thailand) Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	14	**225,150**	**15,584,883**	17,360	1,131,525
ii	Other Income	15	-	-	50,972	3,322,355
iii	**Total income (i + ii)**		**225,150**	**15,584,883**	68,332	4,453,880
iv	**Expenses:**					
	Network and transmission expenses	16	**9,604**	**664,789**	2,200	143,396
	Employee benefits expenses	17	**61,395**	**4,249,762**	18,798	1,225,254
	Operating and other expenses	18	**133,447**	**9,237,202**	53,432	3,482,698
	Finance costs	19	**172**	**11,906**	4,455	290,377
	Depreciation and amortisation expenses		**13,176**	**912,043**	2,042	133,098
	Total expenses		**217,794**	**15,075,702**	80,927	5,274,823
v	**Profit / (loss) before taxes (iii - iv)**		**7,356**	**509,181**	(12,595)	(820,943)
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	**Profit / (loss) for the year (v-vi)**		**7,356**	**509,181**	(12,595)	(820,943)

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**79,604**	**5,510,189**	46,180	3,010,012
(a)	**79,604**	**5,510,189**	46,180	3,010,012
Accumulated depreciation:				
Plant and machinery	**15,218**	**1,053,390**	2,042	133,098
(b)	**15,218**	**1,053,390**	2,042	133,098
Net block (a) - (b)	**64,386**	**4,456,799**	44,138	2,876,914

2 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	**3,506**	**242,685**	-	-
Total	**3,506**	**242,685**	-	-

3 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	**2,645**	**183,087**	10,687	696,579
Intercompany receivables	**26,873**	**1,860,149**	-	-
Total	**29,518**	**2,043,236**	10,687	696,579

4 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	**376,300**	**26,047,486**	416,696	27,160,245
Total	**376,300**	**26,047,486**	416,696	27,160,245

5 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Security Deposit	**4,875**	**337,448**	-	-
Total	**4,875**	**337,448**	-	-

6 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	9,264	641,254	2,579	168,099
Indirect tax receivable	414	28,657	87	5,671
Total	9,678	669,911	2,666	173,770

7 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	588,462	40,733,340	588,462	38,355,953
Total	588,462	40,733,340	588,462	38,355,953

8 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(163,702)	(11,331,452)	(151,107)	(9,849,154)
Profit / (loss) for the year	7,356	509,181	(12,595)	(820,943)
Total	(156,346)	(10,822,271)	(163,702)	(10,670,097)

9 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans taken	-	-	7,612	496,150
Total	-	-	7,612	496,150

10 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	48,317	3,344,503	35,189	2,293,619
Inter Company - Payables	-	-	3,002	195,670
Total	48,317	3,344,503	38,191	2,489,289

11 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Interest accrued but not due	-	-	1,494	97,379
Others	453	31,357	-	-
Total	453	31,357	1,494	97,379

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

12 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	132	9,137	-	-
Other Employee dues	5,672	392,616	1,825	118,954
Total	**5,804**	**401,753**	1,825	118,954

13 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	1,278	88,463	-	-
Total	**1,278**	**88,463**	-	-

14 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	225,150	15,584,883	17,360	1,131,525
Total	**225,150**	**15,584,883**	17,360	1,131,525

15 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Exchange gain -Net	-	-	50,972	3,322,355
Total	-	-	50,972	3,322,355

16 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	9,604	664,789	2,200	143,396
Total	**9,604**	**664,789**	2,200	143,396

17 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	60,828	4,210,514	18,798	1,225,254
Staff welfare expenses	567	39,248	-	-
Total	**61,395**	**4,249,762**	18,798	1,225,254

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

18 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	30,400	2,104,288	-	-
Auditors remuneration	1,367	94,624	122	7,952
Communication expenses	1,179	81,610	132	8,604
Electricity	237	16,405	-	-
Exchange loss -Net	7,949	550,230	-	-
Insurance expenses	7,129	493,469	3,424	223,176
IT consumables	799	55,307	-	-
Legal and professional fees	55,700	3,855,554	45,372	2,957,347
Miscellaneous expenses	1,347	93,241	1,372	89,427
Printing and stationery	380	26,304	-	-
Rates and Taxes	-	-	3,010	196,192
Rent	15,929	1,102,605	-	-
Repairs and Maintenance - Plant & Machinery	7,178	496,861	-	-
Seminars, trainings and conferences	102	7,060	-	-
Travelling and conveyance expenses	3,751	259,644	-	-
Total	133,447	9,237,202	53,432	3,482,698

19 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	148	10,245	4,067	265,087
Guarantee fees	24	1,661	388	25,290
Total	172	11,906	4,455	290,377

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021, India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093, India. T +91 (22) 6191 5555

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

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Place Mumbai
Date: 06 MAY 2019

Tata Communications (UK) Limited

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**61,880,743**	**4,283,385,028**	61,566,881	4,012,929,302
	Capital work-in-progress		**1,833,703**	**126,928,922**	1,899,996	123,841,739
	Other intangible assets	2	**1,582,853**	**109,565,085**	1,739,505	113,380,936
	Intangible assets under development		**3,552**	**245,869**	17,128	1,116,403
	Investments in subsidiaries & associates	3	**93,692**	**6,485,360**	93,692	6,106,845
	Financial assets					
	(i) Other financial assets	4	**492,054**	**34,059,978**	378,200	24,651,076
	Non current tax asset		**138,886**	**9,613,689**	110,715	7,216,404
	Other non-current assets	5	**984,662**	**68,158,304**	1,210,826	78,921,639
			67,010,145	**4,638,442,235**	67,016,943	4,368,164,344
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	6	**33,597,213**	**2,325,599,084**	41,674,266	2,716,328,658
	(ii) Cash and cash equivalent	7	**540,487**	**37,412,510**	804,774	52,455,169
	(iii) Other financial assets	8	**214,641**	**14,857,450**	154,029	10,039,610
	Other current assets	9	**9,871,637**	**683,314,713**	8,999,228	586,569,681
			44,223,978	**3,061,183,757**	51,632,297	3,365,393,118
	TOTAL ASSETS		**111,234,123**	**7,699,625,992**	118,649,240	7,733,557,462
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	10	**13,542,142**	**937,387,069**	13,542,142	882,676,816
	Other equity	11	**(88,067,608)**	**(6,096,039,829)**	(88,029,919)	(5,737,790,122)
	Total Equity		**(74,525,466)**	**(5,158,652,760)**	(74,487,777)	(4,855,113,306)
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Other financial liabilities	12	**3,301,402**	**228,523,046**	4,896,248	319,137,445
	Provisions	13	**9,526,162**	**659,400,934**	9,930,294	647,256,563
	Other non current liabilities (Deferred revenue)		**59,646,276**	**4,128,715,225**	66,035,783	4,304,212,336
			72,473,840	**5,016,639,205**	80,862,325	5,270,606,344
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	14	**47,572,798**	**3,292,989,078**	37,213,762	2,425,593,007
	(ii) Trade payables	15	**46,836,031**	**3,241,990,066**	50,715,990	3,305,668,228
	(iii) Other financial liabilities	16	**645,282**	**44,666,420**	1,775,087	115,700,170
	Other current liabilities	17	**17,379,942**	**1,203,039,586**	21,518,897	1,402,601,707
	Provisions	18	**851,696**	**58,954,397**	1,050,956	68,501,312
			113,285,749	**7,841,639,547**	112,274,692	7,318,064,424
	TOTAL EQUITY AND LIABILITIES		**111,234,123**	**7,699,625,992**	118,649,240	7,733,557,462

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

Tata Communications (UK) Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	19	**254,705,268**	**17,630,698,651**	326,373,222	21,273,006,610
ii	Other Income	20	**628,458**	**43,501,862**	2,827,504	184,296,711
iii	**Total income (i + ii)**		**255,333,726**	**17,674,200,513**	329,200,726	21,457,303,321
iv	**Expenses:**					
	Network and transmission expenses	21	**139,634,105**	**9,665,472,748**	200,272,307	13,053,748,970
	Employee benefits expenses	22	**45,718,622**	**3,164,643,015**	55,805,428	3,637,397,797
	Operating and other expenses	23	**52,414,384**	**3,628,123,664**	57,833,448	3,769,584,143
	Finance costs	24	**3,022,219**	**209,197,999**	2,636,296	171,833,773
	Depreciation and amortisation expenses		**14,394,302**	**996,373,584**	12,246,069	798,198,777
	Total expenses		**255,183,632**	**17,663,811,010**	328,793,548	21,430,763,460
v	**Profit / (loss) before exceptional items and taxes (iii - iv)**		**150,094**	**10,389,503**	407,178	26,539,861
vi	**Exceptional items (income / expenses):**					
	Staff cost optimisation		**(187,783)**	**(12,998,339)**	(2,182,760)	(142,272,297)
vii	**Profit / (loss) before taxes**		**(37,689)**	**(2,608,836)**	(1,775,582)	(115,732,436)
viiii	**Tax expenses**					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
ix	**Profit / (loss) for the year (vii-viii)**		**(37,689)**	**(2,608,836)**	(1,775,582)	(115,732,436)

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Land	**688,484**	**47,656,862**	688,484	44,875,387
Building	**2,855,106**	**197,630,437**	2,821,674	183,916,711
Lease hold improvement	**8,983,451**	**621,834,478**	8,983,451	585,541,336
Cables	**48,688,050**	**3,370,186,821**	39,767,462	2,592,043,173
Plant and machinery	**103,318,267**	**7,151,690,442**	103,463,929	6,743,778,892
Furniture and fixtures	**1,575,479**	**109,054,656**	1,635,091	106,575,231
Computers	**6,173,652**	**427,340,191**	6,336,185	412,992,538
Office equipment	**781,755**	**54,113,081**	793,623	51,728,347
Vehicles	**4,544**	**314,536**	4,544	296,178
(a)	**173,068,788**	**11,979,821,504**	164,494,443	10,721,747,793
Accumulated depreciation:				
Land	-	-	-	-
Building	**1,659,013**	**114,836,880**	1,537,583	100,219,660
Lease hold improvement	**4,782,923**	**331,073,930**	3,298,895	215,021,976
Cables	**21,908,971**	**1,516,538,973**	18,825,959	1,227,076,008
Plant and machinery	**75,893,623**	**5,253,356,584**	72,412,057	4,719,817,875
Furniture and fixtures	**623,435**	**43,154,171**	544,407	35,484,448
Computers	**5,925,356**	**410,153,142**	5,963,636	388,709,794
Office equipment	**390,180**	**27,008,260**	340,481	22,192,552
Vehicles	**4,544**	**314,536**	4,544	296,178
(b)	**111,188,045**	**7,696,436,476**	102,927,562	6,708,818,491
Net block (a) - (b)	**61,880,743**	**4,283,385,028**	61,566,881	4,012,929,302

2 Other intangible assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Computer software	**14,082,112**	**974,763,793**	13,273,195	865,146,850
(a)	**14,082,112**	**974,763,793**	13,273,195	865,146,850
Accumulated amortisation:				
Computer software	**12,499,259**	**865,198,708**	11,533,690	751,765,914
(b)	**12,499,259**	**865,198,708**	11,533,690	751,765,914
Net block (a) - (b)	**1,582,853**	**109,565,085**	1,739,505	113,380,936

3 Investments in subsidiaries & associates

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Investments in subsidiaries	**93,692**	**6,485,360**	93,692	6,106,845
Total	**93,692**	**6,485,360**	93,692	6,106,845

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Vendor deposits	492,054	34,059,978	378,200	24,651,076
Total	492,054	34,059,978	378,200	24,651,076

5 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	984,662	68,158,304	1,210,826	78,921,639
Total	984,662	68,158,304	1,210,826	78,921,639

6 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	37,142,489	2,571,003,089	42,870,142	2,794,275,856
Intercompany receivables	-	-	2,320,874	151,274,567
Provision for doubtful debts	(3,545,276)	(245,404,005)	(3,516,750)	(229,221,765)
Total	33,597,213	2,325,599,084	41,674,266	2,716,328,658

7 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	540,487	37,412,510	804,774	52,455,169
Total	540,487	37,412,510	804,774	52,455,169

8 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Security Deposit	26,095	1,806,296	26,095	1,700,872
Interest Receivable	15,511	1,073,671	-	-
Others	173,035	11,977,483	127,934	8,338,738
Total	214,641	14,857,450	154,029	10,039,610

9 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	**88,873**	**6,151,789**	334,036	21,772,466
Other Advances	**-**	**-**	-	-
Advances to employees	**810,468**	**56,100,595**	1,071,228	69,822,641
Prepaid expenses	**8,235,476**	**570,059,649**	6,354,070	414,158,283
Indirect tax receivable	**736,820**	**51,002,680**	1,047,106	68,250,369
Others	**-**	**-**	192,788	12,565,922
Total	**9,871,637**	**683,314,713**	8,999,228	586,569,681

10 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	**13,542,142**	**937,387,069**	13,542,142	882,676,816
Total	**13,542,142**	**937,387,069**	13,542,142	882,676,816

11 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(99,937,919)**	**(6,917,702,753)**	(98,162,337)	(6,398,221,126)
Profit / (loss) for the year	**(37,689)**	**(2,608,836)**	(1,775,582)	(115,732,436)
Closing balance	**(99,975,608)**	**(6,920,311,589)**	(99,937,919)	(6,513,953,562)
Share premium	**11,908,000**	**824,271,760**	11,908,000	776,163,440
Total	**(88,067,608)**	**(6,096,039,829)**	(88,029,919)	(5,737,790,122)

12 Non-current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Lease equalisation	**3,301,402**	**228,523,046**	4,896,248	319,137,445
Total	**3,301,402**	**228,523,046**	4,896,248	319,137,445

13 Non-current liabilities - provisions

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Asset retirement obligation and others	**9,091,532**	**629,315,845**	8,718,701	568,284,931
Retention liability	**434,630**	**30,085,089**	1,211,593	78,971,632
Total	**9,526,162**	**659,400,934**	9,930,294	647,256,563

14 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans taken	**47,572,798**	**3,292,989,078**	37,213,762	2,425,593,007
Total	**47,572,798**	**3,292,989,078**	37,213,762	2,425,593,007

15 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	**46,222,962**	**3,199,553,430**	50,715,990	3,305,668,228
Inter Company - Payables	**613,069**	**42,436,636**	-	-
Total	**46,836,031**	**3,241,990,066**	50,715,990	3,305,668,228

16 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deposit from customers and contractors	**431,810**	**29,889,888**	879,329	57,314,664
Interest accrued but not due	**213,472**	**14,776,532**	351,890	22,936,190
Others	**-**	**-**	543,868	35,449,316
Total	**645,282**	**44,666,420**	1,775,087	115,700,170

17 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	**10,101,757**	**699,243,620**	10,131,643	660,380,491
Other Employee dues	**7,272,869**	**503,427,992**	11,387,254	742,221,216
Other Statutory dues	**5,303**	**367,074**	-	-
Others	**13**	**900**	-	-
Total	**17,379,942**	**1,203,039,586**	21,518,897	1,402,601,707

18 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	**851,696**	**58,954,397**	1,050,956	68,501,312
Total	**851,696**	**58,954,397**	1,050,956	68,501,312

19 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	**254,705,268**	**17,630,698,651**	326,373,222	21,273,006,610
Total	**254,705,268**	**17,630,698,651**	326,373,222	21,273,006,610

20 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest on loan to subsidiaries	**121,404**	**8,403,585**	608,853	39,685,039
Profit on sale of fixed assets	**2**	**138**	2	130
Exchange gain -Net	**6,641**	**459,690**	1,663,620	108,434,752
Miscellaneous income	**500,411**	**34,638,449**	555,029	36,176,790
Total	**628,458**	**43,501,862**	2,827,504	184,296,711

21 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	**136,097,965**	**9,420,701,137**	198,189,262	12,917,976,097
Rent of satellite channels	**3,536,140**	**244,771,611**	2,083,045	135,772,873
Total	**139,634,105**	**9,665,472,748**	200,272,307	13,053,748,970

22 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	**45,361,597**	**3,139,929,744**	55,268,749	3,602,417,060
Staff welfare expenses	**357,025**	**24,713,271**	536,679	34,980,737
Total	**45,718,622**	**3,164,643,015**	55,805,428	3,637,397,797

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

23 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	**18,155,303**	**1,256,710,074**	23,057,425	1,502,882,962
Auditors remuneration	**279,193**	**19,325,739**	306,553	19,981,125
Communication expenses	**573,827**	**39,720,305**	547,118	35,661,151
CSR expenses	**8,946**	**619,242**	6,325	412,264
Donations	**(914)**	**(63,267)**	15,169	988,715
Electricity	**3,620,291**	**250,596,543**	3,743,579	244,006,479
Entertainment expenses	**58,491**	**4,048,747**	97,187	6,334,649
Insurance expenses	**111,462**	**7,715,400**	127,904	8,336,783
IT consumables	**49,369**	**3,417,322**	91,699	5,976,941
Legal and professional fees	**4,959,288**	**343,281,915**	2,222,823	144,883,603
Miscellaneous expenses	**879,755**	**60,896,645**	1,388,978	90,533,587
Printing and stationery	**378,425**	**26,194,579**	310,614	20,245,821
Provision for doubtful debts	**28,527**	**1,974,639**	356,629	23,245,078
Rates and Taxes	**3,864,306**	**267,487,261**	2,739,737	178,576,058
Recruitment expenses	**581,492**	**40,250,876**	1,069,190	69,689,804
Relocation Expense	**257,630**	**17,833,149**	515,300	33,587,254
Rent	**4,084,584**	**282,734,904**	3,824,989	249,312,783
Repairs and Maintenance - Plant & Machinery	**6,481,465**	**448,647,007**	6,229,701	406,051,911
Repairs and Maintenance -Building	**284,955**	**19,724,585**	181,473	11,828,410
Security charges	**533,412**	**36,922,779**	518,179	33,774,907
Seminars, trainings and conferences	**194,580**	**13,468,828**	271,198	17,676,686
Services rendered by agencies	**3,512,579**	**243,140,718**	4,982,494	324,758,959
Bad debts written off	-	-	845,366	55,100,956
Travelling and conveyance expenses	**3,517,418**	**243,475,674**	4,383,818	285,737,257
Total	**52,414,384**	**3,628,123,664**	57,833,448	3,769,584,143

24 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	**2,785,092**	**192,784,068**	2,409,686	157,063,333
Guarantee fees	**237,127**	**16,413,931**	226,610	14,770,440
Total	**3,022,219**	**209,197,999**	2,636,296	171,833,773

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 Deutschland GmbH** ("the subsidiary") registered in Germany as at 31 March 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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.

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Place Mumbai
Date: 06 MAY 2019

Tata Communications Deutschland GmbH

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**9,344,648**	**646,836,535**	9,191,550	599,105,229
	Capital work-in-progress		**162,016**	**11,214,748**	889,802	57,997,294
	Other intangible assets	2	**152,188**	**10,534,454**	54,029	3,521,611
	Financial assets					
	(i) Other financial assets	3	**142,699**	**9,877,625**	145,350	9,473,913
	Non current tax asset		**-**	**-**	163,952	10,686,391
	Other non-current assets	4	**1,030,108**	**71,304,076**	149,690	9,756,794
			10,831,659	**749,767,438**	10,594,373	690,541,232
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	5	**10,586,871**	**732,823,210**	11,524,073	751,139,078
	(ii) Cash and cash equivalent	6	**444**	**30,734**	-	-
	(iii) Other financial assets	7	**58,874**	**4,075,258**	12,129	790,568
	Other current assets	8	**1,751,146**	**121,214,326**	453,328	29,547,919
			12,397,335	**858,143,528**	11,989,530	781,477,565
	TOTAL ASSETS		**23,228,994**	**1,607,910,966**	22,583,903	1,472,018,797
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	9	**33,795**	**2,339,290**	33,795	2,202,758
	Other equity	10	**(39,514,517)**	**(2,735,194,865)**	(34,153,951)	(2,226,154,526)
	Total Equity		**(39,480,722)**	**(2,732,855,575)**	(34,120,156)	(2,223,951,768)
(2)	**Non-current liabilities**					
	Provisions	11	**97,390**	**6,741,336**	94,283	6,145,366
	Other non current liabilities (Deferred revenue)		**1,317,663**	**91,208,633**	783,607	51,075,504
			1,415,053	**97,949,969**	877,890	57,220,870
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	12	**44,293,369**	**3,065,987,002**	36,312,876	2,366,873,258
	(ii) Trade payables	13	**15,077,967**	**1,043,696,875**	15,662,788	1,020,900,522
	(iii) Other financial liabilities	14	**349,131**	**24,166,848**	894,373	58,295,232
	Other current liabilities	15	**1,497,990**	**103,690,868**	2,858,959	186,346,947
	Provisions	16	**76,206**	**5,274,979**	97,173	6,333,736
			61,294,663	**4,242,816,572**	55,826,169	3,638,749,695
	TOTAL EQUITY AND LIABILITIES		**23,228,994**	**1,607,910,966**	22,583,903	1,472,018,797

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

Tata Communications Deutschland GmbH

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	17	**70,466,927**	**4,877,720,687**	75,395,245	4,914,262,069
ii	Other Income	18	**103,258**	**7,147,519**	1,284,754	83,740,266
iii	**Total income (i + ii)**		**70,570,185**	**4,884,868,206**	76,679,999	4,998,002,335
iv	**Expenses:**					
	Network and transmission expenses	19	**63,371,195**	**4,386,554,118**	72,036,255	4,695,323,101
	Employee benefits expenses	20	**4,048,655**	**280,247,899**	4,610,108	300,486,839
	Operating and other expenses	21	**5,398,719**	**373,699,328**	6,211,223	404,847,516
	Finance costs	22	**2,303,733**	**159,464,398**	1,910,984	124,557,937
	Depreciation and amortisation expenses		**2,526,293**	**174,870,001**	2,305,815	150,293,022
	Total expenses		**77,648,595**	**5,374,835,744**	87,074,385	5,675,508,415
v	**Profit / (loss) before exceptional items and taxes (iii - iv)**		**(7,078,410)**	**(489,967,538)**	(10,394,386)	(677,506,080)
vi	**Exceptional items (income / expenses):**					
	Staff cost optimisation		**1,260,256**	**87,234,920**	(1,374,674)	(89,601,251)
vii	**Profit / (loss) before taxes (v - vi)**		**(5,818,154)**	**(402,732,618)**	(11,769,060)	(767,107,331)
viiii	**Tax expenses**					
	(i) Current tax expense/(benefit)		**(457,588)**	**(31,674,241)**	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		**(457,588)**	**(31,674,241)**	-	-
ix	**Profit / (loss) for the year (vii-viii)**		**(5,360,566)**	**(371,058,377)**	(11,769,060)	(767,107,331)

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	403	27,896	403	26,268
Cables	2,401,412	166,225,739	2,352,157	153,313,593
Plant and machinery	29,011,766	2,008,194,443	29,258,832	1,907,090,670
Furniture and fixtures	288,905	19,998,004	276,133	17,998,349
Computers	248,747	17,218,267	251,430	16,388,207
Office equipment	7,004	484,817	7,057	459,975
(a)	31,958,237	2,212,149,166	32,146,012	2,095,277,062
Accumulated depreciation:				
Lease hold improvement	403	27,896	403	26,268
Cables	1,583,798	109,630,498	1,388,435	90,498,193
Plant and machinery	20,693,742	1,432,420,821	21,268,346	1,386,270,792
Furniture and fixtures	84,502	5,849,228	54,370	3,543,837
Computers	247,421	17,126,482	239,919	15,637,920
Office equipment	3,723	257,706	2,989	194,823
(b)	22,613,589	1,565,312,631	22,954,462	1,496,171,833
Net block (a) - (b)	9,344,648	646,836,535	9,191,550	599,105,229

2 Other intangible assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Computer software	1,125,572	77,912,094	974,365	63,509,111
(a)	1,125,572	77,912,094	974,365	63,509,111
Accumulated amortisation:				
Computer software	973,384	67,377,640	920,336	59,987,500
(b)	973,384	67,377,640	920,336	59,987,500
Net block (a) - (b)	152,188	10,534,454	54,029	3,521,611

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Vendor deposits	142,699	9,877,625	145,350	9,473,913
Total	142,699	9,877,625	145,350	9,473,913

4 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	1,030,108	71,304,076	149,690	9,756,794
Total	1,030,108	71,304,076	149,690	9,756,794

5 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	14,004,396	969,384,291	14,294,189	931,695,239
Provision for doubtful debts	(3,417,525)	(236,561,081)	(2,770,116)	(180,556,161)
Total	10,586,871	732,823,210	11,524,073	751,139,078

6 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	444	30,734	-	-
Total	444	30,734	-	-

7 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Security Deposit	-	-	1,301	84,799
Advances to employees	16,012	1,108,351	10,537	686,802
Interest Receivable	14,002	969,218	-	-
Others	28,860	1,997,689	291	18,967
Total	58,874	4,075,258	12,129	790,568

8 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	-	-	14,460	942,503
Prepaid expenses	1,454,762	100,698,626	438,868	28,605,416
Indirect tax receivable	296,384	20,515,700	-	-
Total	1,751,146	121,214,326	453,328	29,547,919

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

9 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	**33,795**	**2,339,290**	33,795	2,202,758
Total	**33,795**	**2,339,290**	33,795	2,202,758

10 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(34,153,951)**	**(2,364,136,488)**	(22,384,891)	(1,459,047,195)
Profit / (loss) for the year	**(5,360,566)**	**(371,058,377)**	(11,769,060)	(767,107,331)
Total	**(39,514,517)**	**(2,735,194,865)**	(34,153,951)	(2,226,154,526)

11 Non-current liabilities - provisions

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Asset retirement obligation and others	**97,390**	**6,741,336**	94,283	6,145,366
Total	**97,390**	**6,741,336**	94,283	6,145,366

12 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans taken	**44,293,369**	**3,065,987,002**	36,312,876	2,366,873,258
Total	**44,293,369**	**3,065,987,002**	36,312,876	2,366,873,258

13 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	**13,729,929**	**950,385,685**	7,462,770	486,423,349
Inter Company - Payables	**1,348,038**	**93,311,190**	8,200,018	534,477,173
Total	**15,077,967**	**1,043,696,875**	15,662,788	1,020,900,522

14 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deposit from customers and contractors	146,880	10,167,034	161,516	10,527,613
Interest accrued but not due	202,251	13,999,814	335,369	21,859,351
Others	-	-	397,488	25,908,268
Total	**349,131**	**24,166,848**	894,373	58,295,232

15 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	1,169,439	80,948,568	869,379	56,666,123
Other Employee dues	322,641	22,333,210	1,895,679	123,560,357
Other Statutory dues	5,908	408,952	93,901	6,120,467
Others	2	138	-	-
Total	**1,497,990**	**103,690,868**	2,858,959	186,346,947

16 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	76,206	5,274,979	97,173	6,333,736
Total	**76,206**	**5,274,979**	97,173	6,333,736

17 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	70,466,927	4,877,720,687	75,395,245	4,914,262,069
Total	**70,466,927**	**4,877,720,687**	75,395,245	4,914,262,069

18 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest on loan to subsidiaries	98,759	6,836,098	259,199	16,894,591
Exchange gain -Net	-	-	511,298	33,326,404
Miscellaneous income	4,499	311,421	514,257	33,519,271
Total	**103,258**	**7,147,519**	1,284,754	83,740,266

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

19 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	63,371,195	4,386,554,118	72,036,255	4,695,323,101
Total	63,371,195	4,386,554,118	72,036,255	4,695,323,101

20 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	4,032,336	279,118,298	4,607,540	300,319,457
Staff welfare expenses	16,319	1,129,601	2,568	167,382
Total	4,048,655	280,247,899	4,610,108	300,486,839

21 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	188,422	13,042,571	152,918	9,967,195
Auditors remuneration	84,700	5,862,934	84,700	5,520,746
Communication expenses	56,058	3,880,335	46,206	3,011,707
Electricity	479,160	33,167,455	418,531	27,279,851
Entertainment expenses	995	68,874	2,126	138,573
Exchange loss -Net	96,377	6,671,216	-	-
Insurance expenses	7,754	536,732	5,510	359,142
IT consumables	4,905	339,524	208	13,557
Legal and professional fees	403,306	27,916,841	398,732	25,989,352
Miscellaneous expenses	36,426	2,521,406	53,626	3,495,342
Printing and stationery	13,675	946,584	12,422	809,666
Provision for doubtful debts	647,408	44,813,582	1,176,179	76,663,347
Rates and Taxes	(17,041)	(1,179,578)	336,788	21,951,842
Recruitment expenses	65,497	4,533,702	64,258	4,188,336
Relocation Expense	40,068	2,773,507	26,987	1,759,013
Rent	231,180	16,002,280	209,937	13,683,694
Repairs and Maintenance - Plant & Machinery	2,572,215	178,048,722	2,287,614	149,106,681
Repairs and Maintenance -Building	(517)	(35,787)	2,618	170,641
Seminars, trainings and conferences	22,102	1,529,900	7,155	466,363
Services rendered by agencies	338,713	23,445,714	406,932	26,523,828
Bad debts written off	-	-	342,404	22,317,893
Travelling and conveyance expenses	127,316	8,812,814	175,372	11,430,747
Total	5,398,719	373,699,328	6,211,223	404,847,516

22 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	2,144,934	148,472,331	1,777,222	115,839,330
Guarantee fees	158,799	10,992,067	133,762	8,718,607
Total	2,303,733	159,464,398	1,910,984	124,557,937

Suresh Surana & Associates LLP
Chartered Accountants

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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.J

(Vinodkumar Varma)
PARTNER
Membership No. 105545

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Place Mumbai
Date: 06 MAY 2019

Tata Communications Services (Bermuda) Ltd.

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	-	-	-	-
	Other intangible assets	2	-	-	-	-
	Financial assets					
	(i) Loans	3	**27,878,059**	**1,929,719,244**	13,061,859	851,371,970
			27,878,059	**1,929,719,244**	13,061,859	851,371,970
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	4	**4,523,246**	**313,099,088**	8,677,483	565,598,342
	(ii) Cash and cash equivalent	5	**237,990**	**16,473,668**	87,515	5,704,228
	(iii) Other financial assets	6	**490,347**	**33,941,819**	253,299	16,510,029
	Other current assets	7	**7,167**	**496,100**	22,004	1,434,221
			5,258,750	**364,010,675**	9,040,301	589,246,820
	TOTAL ASSETS		**33,136,809**	**2,293,729,919**	22,102,160	1,440,618,790
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	8	**10,611,000**	**734,493,420**	10,611,000	691,624,980
	Other equity	9	**20,570,378**	**1,423,881,565**	10,735,751	699,756,252
	Total Equity		**31,181,378**	**2,158,374,985**	21,346,751	1,391,381,232
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	10	**1,887,779**	**130,672,062**	687,446	44,807,730
	(ii) Other financial liabilities	11	**61,822**	**4,279,319**	63,461	4,136,388
	Other current liabilities	12	**5,830**	**403,553**	4,502	293,440
			1,955,431	**135,354,934**	755,409	49,237,558
	TOTAL EQUITY AND LIABILITIES		**33,136,809**	**2,293,729,919**	22,102,160	1,440,618,790

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Tata Communications Services (Bermuda) Ltd.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	13	**35,160,292**	**2,433,795,412**	44,680,506	2,912,275,381
ii	Other Income	14	**775,742**	**53,696,861**	316,854	20,652,543
iii	**Total income (i + ii)**		**35,936,034**	**2,487,492,273**	44,997,360	2,932,927,924
iv	**Expenses:**					
	Network and transmission expenses	15	**6,734,017**	**466,128,657**	7,111,983	463,559,052
	Employee benefits expenses	16	**52,223**	**3,614,876**	48,319	3,149,432
	Operating and other expenses	17	**1,426,510**	**98,743,021**	2,618,474	170,672,133
	Depreciation and amortisation expenses		-	-	9,667	630,095
	Total expenses		**8,212,750**	**568,486,554**	9,788,443	638,010,712
v	**Profit / (loss) before taxes (iii - vi)**		**27,723,284**	**1,919,005,719**	35,208,917	2,294,917,212
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	**Profit / (loss) for the year (v-vi)**		**27,723,284**	**1,919,005,719**	35,208,917	2,294,917,212

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Tata Communications Services (Bermuda) Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	95,980	6,643,736	95,980	6,255,976
Computers	2,034	140,793	2,034	132,576
(a)	98,014	6,784,529	98,014	6,388,552
Accumulated depreciation:				
Plant and machinery	95,980	6,643,736	95,980	6,255,976
Computers	2,034	140,793	2,034	132,576
(b)	98,014	6,784,529	98,014	6,388,552
Net block (a) - (b)	-	-	-	-

2 Other intangible assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Computer software	216,166	14,963,011	216,166	14,089,700
Customer relationship	49,200,000	3,405,624,000	49,200,000	3,206,856,000
(a)	49,416,166	3,420,587,011	49,416,166	3,220,945,700
Accumulated amortisation:				
Computer software	216,166	14,963,011	216,166	14,089,700
Customer relationship	49,200,000	3,405,624,000	49,200,000	3,206,856,000
(b)	49,416,166	3,420,587,011	49,416,166	3,220,945,700
Net block (a) - (b)	-	-	-	-

3 Non-current assets - financial assets - loans

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans given	27,878,059	1,929,719,244	13,061,859	851,371,970
Total	27,878,059	1,929,719,244	13,061,859	851,371,970

4 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	4,788,265	331,443,703	7,370,003	480,376,796
Intercompany receivables	-	-	1,706,640	111,238,795
Provision for doubtful debts	(265,019)	(18,344,615)	(399,160)	(26,017,249)
Total	4,523,246	313,099,088	8,677,483	565,598,342

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

5 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	**237,990**	**16,473,668**	87,515	5,704,228
Total	**237,990**	**16,473,668**	87,515	5,704,228

6 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Interest Receivable	**490,347**	**33,941,819**	253,299	16,510,029
Total	**490,347**	**33,941,819**	253,299	16,510,029

7 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	**7,167**	**496,100**	22,004	1,434,221
Total	**7,167**	**496,100**	22,004	1,434,221

8 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	**10,611,000**	**734,493,420**	10,611,000	691,624,980
Total	**10,611,000**	**734,493,420**	10,611,000	691,624,980

9 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**10,735,751**	**743,128,684**	1,886,834	122,983,840
Profit / (loss) for the year	**27,723,284**	**1,919,005,719**	35,208,917	2,294,917,212
Dividend	**(17,888,657)**	**(1,238,252,838)**	(26,360,000)	(1,718,144,800)
Total	**20,570,378**	**1,423,881,565**	10,735,751	699,756,252

10 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	698,711	48,364,775	687,446	44,807,730
Inter Company - Payables	1,189,068	82,307,287	-	-
Total	1,887,779	130,672,062	687,446	44,807,730

11 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deposit from customers and contractors	61,822	4,279,319	63,461	4,136,388
Total	61,822	4,279,319	63,461	4,136,388

12 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Other Employee dues	5,830	403,553	4,502	293,440
Total	5,830	403,553	4,502	293,440

13 Revenue from operations

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Data and voice revenue	35,160,292	2,433,795,412	44,680,506	2,912,275,381
Total	35,160,292	2,433,795,412	44,680,506	2,912,275,381

14 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest income - others	1,934	133,871	1,696	110,545
Interest on loan to subsidiaries	773,808	53,562,990	315,158	20,541,998
Total	775,742	53,696,861	316,854	20,652,543

15 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	6,734,017	466,128,657	7,111,983	463,559,052
Total	6,734,017	466,128,657	7,111,983	463,559,052

16 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	**52,223**	**3,614,876**	48,319	3,149,432
Total	**52,223**	**3,614,876**	48,319	3,149,432

17 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Auditors remuneration	**4,230**	**292,801**	4,799	312,799
Communication expenses	**114**	**7,891**	-	-
Exchange loss -Net	**126,388**	**8,748,577**	16,507	1,075,926
Legal and professional fees	**6,618**	**458,098**	19,748	1,287,175
Miscellaneous expenses	**162,110**	**11,221,252**	218,059	14,213,083
Provision for doubtful debts	**(134,142)**	**(9,285,309)**	(129,369)	(8,432,271)
Repairs and Maintenance - Plant & Machinery	**1,137,439**	**78,733,528**	2,239,180	145,949,752
Services rendered by agencies	**120,753**	**8,358,523**	133,997	8,733,924
Bad debts written off	**3,000**	**207,660**	115,553	7,531,745
Total	**1,426,510**	**98,743,021**	2,618,474	170,672,133

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021, India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093, India. T +91 (22) 6191 5555

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

Vaman

(Vinodkumar Varma)
PARTNER
Membership No. 105545

Place Mumbai
Date: 06 MAY 2019

Tata Communications Services (International) Pte. Ltd.

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**3,087,604**	**213,723,948**	2,708,618	176,547,721
	Capital work-in-progress		**105,426**	**7,297,588**	161,912	10,553,424
	Other intangible assets	2	**12,687**	**878,194**	10,208	665,357
	Financial assets					
	(i) Loans	3	**1,423,775**	**98,553,706**	1,494,377	97,403,493
	Other non-current assets	4	**90,066**	**6,234,369**	102,185	6,660,418
			4,719,558	**326,687,805**	4,477,300	291,830,413
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	5	**1,011,821**	**70,038,250**	929,888	60,610,100
	(ii) Cash and cash equivalent	6	**35,094**	**2,429,207**	162,831	10,613,325
	(iii) Other financial assets	7	**50,925**	**3,525,028**	61,292	3,995,013
	Other current assets	8	**214,449**	**14,844,160**	179,491	11,699,223
			1,312,289	**90,836,645**	1,333,502	86,917,661
	TOTAL ASSETS		**6,031,847**	**417,524,450**	5,810,802	378,748,074
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	9	**344,869**	**23,871,832**	344,869	22,478,561
	Other equity	10	**2,511,536**	**173,848,523**	2,199,740	143,379,054
	Total Equity		**2,856,405**	**197,720,355**	2,544,609	165,857,615
(2)	**Non-current liabilities**					
	Provisions	11	**398,422**	**27,578,771**	926,258	60,373,496
			398,422	**27,578,771**	926,258	60,373,496
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	12	**513,868**	**35,569,943**	520,562	33,930,231
	(ii) Other financial liabilities	13	**-**	**-**	1,658	108,068
	Other current liabilities	14	**2,035,342**	**140,886,373**	1,680,786	109,553,632
	Provisions	15	**121,604**	**8,417,429**	40,933	2,668,013
	Current tax liabilities (Net)		**106,206**	**7,351,579**	95,996	6,257,019
			2,777,020	**192,225,324**	2,339,935	152,516,963
	TOTAL EQUITY AND LIABILITIES		**6,031,847**	**417,524,450**	5,810,802	378,748,074

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Tata Communications Services (International) Pte. Ltd.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	16	**6,248,945**	**432,551,973**	6,583,805	429,132,410
ii	Other Income	17	**26,028**	**1,801,658**	32,079	2,090,909
iii	**Total income (i + ii)**		**6,274,973**	**434,353,631**	6,615,884	431,223,319
iv	**Expenses:**					
	Network and transmission expenses	18	**26,743**	**1,851,150**	207,167	13,503,145
	Employee benefits expenses	19	**2,565,315**	**177,571,105**	3,437,902	224,082,452
	Operating and other expenses	20	**1,994,206**	**138,038,937**	1,872,328	122,038,338
	Finance costs	21	**276**	**19,105**	15,644	1,019,676
	Depreciation and amortisation expenses		**1,017,940**	**70,461,807**	695,181	45,311,898
	Total expenses		**5,604,480**	**387,942,104**	6,228,222	405,955,509
v	**Profit before exceptional items and taxes (iii - iv)**		**670,493**	**46,411,527**	387,662	25,267,810
vi	**Exceptional items:**					
	Staff cost optimisation		**(294,581)**	**(20,390,897)**	-	-
vii	**Profit / (loss) before taxes (v - vi)**		**375,912**	**26,020,630**	387,662	25,267,810
viiii	**Tax expenses**					
	(i) Current tax expense/(benefit)		**64,116**	**4,438,110**	66,165	4,312,635
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		**64,116**	**4,438,110**	66,165	4,312,635
ix	**Profit / (loss) for the year (vii-viii)**		**311,796**	**21,582,520**	321,497	20,955,175

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	**33,020**	**2,285,644**	33,020	2,152,244
Plant and machinery	**5,837,092**	**404,043,508**	4,394,351	286,423,798
Computers	**100,173**	**6,933,975**	219,349	14,297,168
(a)	**5,970,285**	**413,263,127**	4,646,720	302,873,210
Accumulated depreciation:				
Lease hold improvement	**33,020**	**2,285,644**	33,020	2,152,244
Plant and machinery	**2,751,435**	**190,454,331**	1,699,366	110,764,676
Computers	**98,226**	**6,799,204**	205,716	13,408,569
(b)	**2,882,681**	**199,539,179**	1,938,102	126,325,489
Net block (a) - (b)	**3,087,604**	**213,723,948**	2,708,618	176,547,721

2 Other intangible assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Computer software	**24,796**	**1,716,379**	17,500	1,140,650
(a)	**24,796**	**1,716,379**	17,500	1,140,650
Accumulated amortisation:				
Computer software	**12,109**	**838,185**	7,292	475,293
(b)	**12,109**	**838,185**	7,292	475,293
Net block (a) - (b)	**12,687**	**878,194**	10,208	665,357

3 Non-current assets - financial assets - loans

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans given	**1,423,775**	**98,553,706**	1,494,377	97,403,493
Total	**1,423,775**	**98,553,706**	1,494,377	97,403,493

4 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	**90,066**	**6,234,369**	102,185	6,660,418
Total	**90,066**	**6,234,369**	102,185	6,660,418

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

5 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	3,844	266,082	2,807	182,960
Intercompany receivables	1,007,977	69,772,168	927,081	60,427,140
Total	1,011,821	70,038,250	929,888	60,610,100

6 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	35,094	2,429,207	162,831	10,613,325
Total	35,094	2,429,207	162,831	10,613,325

7 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Advances to employees	44,256	3,063,400	47,070	3,068,023
Interest Receivable	6,665	461,351	13,934	908,218
Others	4	277	288	18,772
Total	50,925	3,525,028	61,292	3,995,013

8 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	214,449	14,844,160	176,896	11,530,081
Others	-	-	2,595	169,142
Total	214,449	14,844,160	179,491	11,699,223

9 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	344,869	23,871,832	344,869	22,478,561
Total	344,869	23,871,832	344,869	22,478,561

10 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**2,199,740**	**152,266,003**	1,878,243	122,423,879
Profit / (loss) for the year	**311,796**	**21,582,520**	321,497	20,955,175
Total	**2,511,536**	**173,848,523**	2,199,740	143,379,054

11 Non-current liabilities - provisions

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Retention liability	**398,422**	**27,578,771**	926,258	60,373,496
Total	**398,422**	**27,578,771**	926,258	60,373,496

12 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	**513,868**	**35,569,943**	520,562	33,930,231
Total	**513,868**	**35,569,943**	520,562	33,930,231

13 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	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	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Other Employee dues	**1,937,532**	**134,115,965**	1,633,459	106,468,858
Other Statutory dues	**97,806**	**6,770,131**	47,323	3,084,513
Others	**4**	**277**	4	261
Total	**2,035,342**	**140,886,373**	1,680,786	109,553,632

15 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	121,604	8,417,429	40,933	2,668,013
Total	121,604	8,417,429	40,933	2,668,013

16 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	14,347	993,099	175,528	11,440,915
Management consultancy Services	6,234,598	431,558,874	6,408,277	417,691,495
Total	6,248,945	432,551,973	6,583,805	429,132,410

17 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest on loan to subsidiaries	26,028	1,801,658	31,946	2,082,240
Miscellaneous income	-	-	133	8,669
Total	26,028	1,801,658	32,079	2,090,909

18 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	26,743	1,851,150	207,167	13,503,145
Total	26,743	1,851,150	207,167	13,503,145

19 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	2,547,858	176,362,731	3,410,885	222,321,484
Contribution to provident and other funds	14,458	1,000,783	21,763	1,418,512
Staff welfare expenses	2,999	207,591	5,254	342,456
Total	2,565,315	177,571,105	3,437,902	224,082,452

20 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	**25,018**	**1,731,746**	1,524	99,334
Auditors remuneration	**2,660**	**184,125**	3,626	236,343
Communication expenses	**15,766**	**1,091,323**	20,411	1,330,389
Donations	**-**	**-**	3,601	234,713
Entertainment expenses	**2,183**	**151,107**	2,853	185,959
Exchange loss -Net	**255,690**	**17,698,862**	30,397	1,981,276
Legal and professional fees	**18,714**	**1,295,383**	58,398	3,806,382
Miscellaneous expenses	**19,950**	**1,380,936**	25,135	1,638,299
Printing and stationery	**285**	**19,728**	464	30,244
Rates and Taxes	**222**	**15,367**	-	-
Recruitment expenses	**260**	**17,997**	7,047	459,323
Repairs and Maintenance - Plant & Machinery	**325,382**	**22,522,942**	310,901	20,264,527
Seminars, trainings and conferences	**-**	**-**	7,824	509,968
Services rendered by agencies	**975,494**	**67,523,695**	1,096,789	71,488,707
Travelling and conveyance expenses	**352,582**	**24,405,726**	303,358	19,772,874
Total	**1,994,206**	**138,038,937**	1,872,328	122,038,338

21 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	**276**	**19,105**	15,644	1,019,676
Total	**276**	**19,105**	15,644	1,019,676

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	**33,020**	**2,285,644**	33,020	2,152,244
Plant and machinery	**5,837,092**	**404,043,508**	4,394,351	286,423,798
Computers	**100,173**	**6,933,975**	219,349	14,297,168
(a)	**5,970,285**	**413,263,127**	4,646,720	302,873,210
Accumulated depreciation:				
Lease hold improvement	**33,020**	**2,285,644**	33,020	2,152,244
Plant and machinery	**2,751,435**	**190,454,331**	1,699,366	110,764,676
Computers	**98,226**	**6,799,204**	205,716	13,408,569
(b)	**2,882,681**	**199,539,179**	1,938,102	126,325,489
Net block (a) - (b)	**3,087,604**	**213,723,948**	2,708,618	176,547,721

2 Other intangible assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Computer software	**24,796**	**1,716,379**	17,500	1,140,650
(a)	**24,796**	**1,716,379**	17,500	1,140,650
Accumulated amortisation:				
Computer software	**12,109**	**838,185**	7,292	475,293
(b)	**12,109**	**838,185**	7,292	475,293
Net block (a) - (b)	**12,687**	**878,194**	10,208	665,357

3 Non-current assets - financial assets - loans

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans given	**1,423,775**	**98,553,706**	1,494,377	97,403,493
Total	**1,423,775**	**98,553,706**	1,494,377	97,403,493

4 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	**90,066**	**6,234,369**	102,185	6,660,418
Total	**90,066**	**6,234,369**	102,185	6,660,418

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

5 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	3,844	266,082	2,807	182,960
Intercompany receivables	1,007,977	69,772,168	927,081	60,427,140
Total	**1,011,821**	**70,038,250**	929,888	60,610,100

6 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	35,094	2,429,207	162,831	10,613,325
Total	**35,094**	**2,429,207**	162,831	10,613,325

7 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Advances to employees	44,256	3,063,400	47,070	3,068,023
Interest Receivable	6,665	461,351	13,934	908,218
Others	4	277	288	18,772
Total	**50,925**	**3,525,028**	61,292	3,995,013

8 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	214,449	14,844,160	176,896	11,530,081
Others	-	-	2,595	169,142
Total	**214,449**	**14,844,160**	179,491	11,699,223

9 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	344,869	23,871,832	344,869	22,478,561
Total	**344,869**	**23,871,832**	344,869	22,478,561

10 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**2,199,740**	**152,266,003**	1,878,243	122,423,879
Profit / (loss) for the year	**311,796**	**21,582,520**	321,497	20,955,175
Total	**2,511,536**	**173,848,523**	2,199,740	143,379,054

11 Non-current liabilities - provisions

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Retention liability	**398,422**	**27,578,771**	926,258	60,373,496
Total	**398,422**	**27,578,771**	926,258	60,373,496

12 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	**513,868**	**35,569,943**	520,562	33,930,231
Total	**513,868**	**35,569,943**	520,562	33,930,231

13 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	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	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Other Employee dues	**1,937,532**	**134,115,965**	1,633,459	106,468,858
Other Statutory dues	**97,806**	**6,770,131**	47,323	3,084,513
Others	**4**	**277**	4	261
Total	**2,035,342**	**140,886,373**	1,680,786	109,553,632

15 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	**121,604**	**8,417,429**	40,933	2,668,013
Total	**121,604**	**8,417,429**	40,933	2,668,013

16 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	**14,347**	**993,099**	175,528	11,440,915
Management consultancy Services	**6,234,598**	**431,558,874**	6,408,277	417,691,495
Total	**6,248,945**	**432,551,973**	6,583,805	429,132,410

17 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest on loan to subsidiaries	**26,028**	**1,801,658**	31,946	2,082,240
Miscellaneous income	**-**	**-**	133	8,669
Total	**26,028**	**1,801,658**	32,079	2,090,909

18 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	**26,743**	**1,851,150**	207,167	13,503,145
Total	**26,743**	**1,851,150**	207,167	13,503,145

19 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	**2,547,858**	**176,362,731**	3,410,885	222,321,484
Contribution to provident and other funds	**14,458**	**1,000,783**	21,763	1,418,512
Staff welfare expenses	**2,999**	**207,591**	5,254	342,456
Total	**2,565,315**	**177,571,105**	3,437,902	224,082,452

20 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	**25,018**	**1,731,746**	1,524	99,334
Auditors remuneration	**2,660**	**184,125**	3,626	236,343
Communication expenses	**15,766**	**1,091,323**	20,411	1,330,389
Donations	**-**	**-**	3,601	234,713
Entertainment expenses	**2,183**	**151,107**	2,853	185,959
Exchange loss -Net	**255,690**	**17,698,862**	30,397	1,981,276
Legal and professional fees	**18,714**	**1,295,383**	58,398	3,806,382
Miscellaneous expenses	**19,950**	**1,380,936**	25,135	1,638,299
Printing and stationery	**285**	**19,728**	464	30,244
Rates and Taxes	**222**	**15,367**	-	-
Recruitment expenses	**260**	**17,997**	7,047	459,323
Repairs and Maintenance - Plant & Machinery	**325,382**	**22,522,942**	310,901	20,264,527
Seminars, trainings and conferences	**-**	**-**	7,824	509,968
Services rendered by agencies	**975,494**	**67,523,695**	1,096,789	71,488,707
Travelling and conveyance expenses	**352,582**	**24,405,726**	303,358	19,772,874
Total	**1,994,206**	**138,038,937**	1,872,328	122,038,338

21 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	**276**	**19,105**	15,644	1,019,676
Total	**276**	**19,105**	15,644	1,019,676

Suresh Surana & Associates LLP
Chartered Accountants

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021, India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 (New Zealand) Limited** ("the subsidiary") registered in New Zealand as at 31 March 2019 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 * MUMBAI * Chartered Accountants

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093, India. T +91 (22) 6191 5555

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: 06 MAY 2019

Tata Communications (New Zealand) Limited

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**57,652**	**3,990,671**	67,410	4,393,783
	Financial assets					
	(i) Loans	2	**-**	**-**	16,753	1,091,961
	Deferred tax assets (Net)		**11,938**	**826,348**	6,805	443,550
	Non current tax asset		**-**	**-**	15,097	984,022
	Other non-current assets	3	**2,893**	**200,253**	769	50,123
			72,483	**5,017,272**	106,834	6,963,439
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	4	**134,470**	**9,308,014**	45,873	2,990,001
	(ii) Cash and cash equivalent	5	**61,543**	**4,260,006**	28,722	1,872,100
	(iii) Other financial assets	6	**738**	**51,084**	49	3,194
	Other current assets	7	**28,004**	**1,938,437**	11,086	722,585
			224,755	**15,557,541**	85,730	5,587,880
	TOTAL ASSETS		**297,238**	**20,574,813**	192,564	12,551,319
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	8	**100**	**6,922**	100	6,518
	Other equity	9	**87,726**	**6,072,392**	94,477	6,158,008
	Total Equity		**87,826**	**6,079,314**	94,577	6,164,526
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	10	**68,016**	**4,708,068**	-	-
	(ii) Trade payables	11	**137,400**	**9,510,828**	97,692	6,367,565
	(iii) Other financial liabilities	12	**906**	**62,713**	295	19,228
	Other current liabilities	13	**2,212**	**153,115**	-	-
	Current tax liabilities (Net)		**878**	**60,775**	-	-
			209,412	**14,495,499**	97,987	6,386,793
	TOTAL EQUITY AND LIABILITIES		**297,238**	**20,574,813**	192,564	12,551,319

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

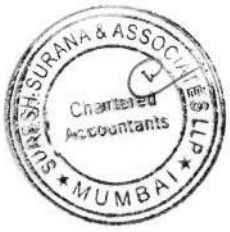
SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Tata Communications (New Zealand) Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	14	**443,621**	**30,707,446**	259,974	16,945,106
ii	Other Income	15	**667**	**46,170**	220	14,340
iii	**Total income (i + ii)**		**444,288**	**30,753,616**	260,194	16,959,446
iv	**Expenses:**					
	Network and transmission expenses	16	**364,972**	**25,263,362**	210,242	13,703,574
	Employee benefits expenses	17	**-**	**-**	9,122	594,572
	Operating and other expenses	18	**59,502**	**4,118,730**	20,130	1,312,076
	Finance costs	19	**490**	**33,918**	11,473	747,811
	Depreciation and amortisation expenses		**26,992**	**1,868,386**	21,423	1,396,351
	Total expenses		**451,956**	**31,284,396**	272,390	17,754,384
v	**Profit / (loss) before taxes (iii - iv)**		**(7,668)**	**(530,780)**	(12,196)	(794,938)
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		**4,216**	**291,832**	1,738	113,283
	(ii) Deferred tax expense/(benefit)		**(5,133)**	**(355,306)**	(4,554)	(296,830)
	Net tax expenses		**(917)**	**(63,474)**	(2,816)	(183,547)
vii	**Profit / (loss) for the year (v-vi)**		**(6,751)**	**(467,306)**	(9,380)	(611,391)

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**193,069**	**13,364,236**	175,835	11,460,925
(a)	**193,069**	**13,364,236**	175,835	11,460,925
Accumulated depreciation:				
Plant and machinery	**135,417**	**9,373,565**	108,425	7,067,142
(b)	**135,417**	**9,373,565**	108,425	7,067,142
Net block (a) - (b)	**57,652**	**3,990,671**	67,410	4,393,783

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2019		As at 31 March 2018	
	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 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	**2,893**	**200,253**	769	50,123
Total	**2,893**	**200,253**	769	50,123

4 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	**37,689**	**2,608,833**	31,779	2,071,355
Intercompany receivables	**96,781**	**6,699,181**	14,636	953,974
Provision for doubtful debts	-	-	(542)	(35,328)
Total	**134,470**	**9,308,014**	45,873	2,990,001

5 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	**61,543**	**4,260,006**	28,722	1,872,100
Total	**61,543**	**4,260,006**	28,722	1,872,100

6 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Interest Receivable	506	35,025	-	-
Others	232	16,059	49	3,194
Total	**738**	**51,084**	49	3,194

7 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	10,399	719,819	10,762	701,467
Indirect tax receivable	17,605	1,218,618	324	21,118
Total	**28,004**	**1,938,437**	11,086	722,585

8 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	100	6,922	100	6,518
Total	**100**	**6,922**	100	6,518

9 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	94,477	6,539,698	103,857	6,769,399
Profit / (loss) for the year	(6,751)	(467,306)	(9,380)	(611,391)
Total	**87,726**	**6,072,392**	94,477	6,158,008

10 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans taken	68,016	4,708,068	-	-
Total	**68,016**	**4,708,068**	-	-

11 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	137,400	9,510,828	97,692	6,367,565
Total	**137,400**	**9,510,828**	97,692	6,367,565

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

12 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Interest accrued but not due	906	62,713	295	19,228
Total	906	62,713	295	19,228

13 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	2,212	153,115	-	-
Total	2,212	153,115	-	-

14 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	443,621	30,707,446	250,282	16,313,381
Management consultancy Services	-	-	9,692	631,725
Total	443,621	30,707,446	259,974	16,945,106

15 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest on loan to subsidiaries	667	46,170	220	14,340
Total	667	46,170	220	14,340

16 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	364,972	25,263,362	210,242	13,703,574
Total	364,972	25,263,362	210,242	13,703,574

17 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	-	-	9,122	594,572
Total	-	-	9,122	594,572

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

18 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Communication expenses	**49**	**3,392**	-	-
Directors fees	**11,110**	**769,034**	2,320	151,218
Electricity	**1,965**	**136,017**	1,894	123,451
Exchange loss -Net	**6,549**	**453,322**	5,758	375,306
Insurance expenses	**5,961**	**412,620**	5,675	369,897
Legal and professional fees	**27,913**	**1,932,138**	(1,101)	(71,763)
Miscellaneous expenses	**2,846**	**197,002**	1,715	111,786
Provision for doubtful debts	**(542)**	**(37,517)**	542	35,328
Repairs and Maintenance - Plant & Machinery	**2,796**	**193,539**	2,630	171,423
Services rendered by agencies	**854**	**59,114**	697	45,430
Travelling and conveyance expenses	**1**	**69**	-	-
Total	**59,502**	**4,118,730**	20,130	1,312,076

19 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	**490**	**33,918**	4,759	310,192
Guarantee fees	**-**	**-**	6,714	437,619
Total	**490**	**33,918**	11,473	747,811

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 **ITXC IP Holdings SARL** ("the subsidiary") registered in Luxembourg as at 31 March 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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: 06 MAY 2019

ITXC IP Holdings SARL

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**160,347**	**11,099,220**	152,582	9,945,295
	Financial assets					
	(i) Loans	2	**15,940,245**	**1,103,383,759**	10,015,210	652,791,388
			16,100,592	**1,114,482,979**	10,167,792	662,736,683
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	3	**214,076**	**14,818,341**	27,793	1,811,548
	(ii) Other financial assets	4	**209,831**	**14,524,502**	213,024	13,884,904
	Other current assets	5	**10,733**	**742,938**	21,950	1,430,701
			434,640	**30,085,781**	262,767	17,127,153
	TOTAL ASSETS		**16,535,232**	**1,144,568,760**	10,430,559	679,863,836
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	6	**16,247**	**1,124,617**	16,247	1,058,979
	Other equity	7	**690,226**	**47,777,445**	(2,086,585)	(136,003,609)
	Total Equity		**706,473**	**48,902,062**	(2,070,338)	(134,944,630)
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	8	**15,781,651**	**1,092,405,882**	12,144,998	791,610,970
	(ii) Trade payables	9	**37,962**	**2,627,730**	332,669	21,683,365
	(iii) Other financial liabilities	10	-	-	35	2,281
	Current tax liabilities (Net)		**9,146**	**633,086**	23,195	1,511,850
			15,828,759	**1,095,666,698**	12,500,897	814,808,466
	TOTAL EQUITY AND LIABILITIES		**16,535,232**	**1,144,568,760**	10,430,559	679,863,836

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

ITXC IP Holdings SARL

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	11	**1,039,670**	**71,965,957**	33,467	2,181,379
ii	Other Income	12	**2,769,705**	**191,718,980**	3,418,638	222,826,825
iii	**Total income (i + ii)**		**3,809,375**	**263,684,937**	3,452,105	225,008,204
iv	**Expenses:**					
	Network and transmission expenses	13	**6,947**	**480,871**	2,674,195	174,304,030
	Operating and other expenses	14	**1,004,579**	**69,536,956**	19,630,190	1,279,495,784
	Finance costs	15	-	-	2,319,321	151,173,343
	Depreciation and amortisation expenses		**23,294**	**1,612,411**	21,797	1,420,728
	Total expenses		**1,034,820**	**71,630,238**	24,645,503	1,606,393,885
v	**Profit / (loss) before taxes (iii - iv)**		**2,774,555**	**192,054,699**	(21,193,398)	(1,381,385,681)
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		**(2,256)**	**(156,160)**	11,008	717,501
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		**(2,256)**	**(156,160)**	11,008	717,501
vii	**Profit / (loss) for the year (v-vi)**		**2,776,811**	**192,210,859**	(21,204,406)	(1,382,103,182)

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**210,303**	**14,557,174**	174,379	11,366,023
(a)	**210,303**	**14,557,174**	174,379	11,366,023
Accumulated depreciation:				
Plant and machinery	**49,956**	**3,457,954**	21,797	1,420,728
(b)	**49,956**	**3,457,954**	21,797	1,420,728
Net block (a) - (b)	**160,347**	**11,099,220**	152,582	9,945,295

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans given	**15,940,245**	**1,103,383,759**	10,015,210	652,791,388
Total	**15,940,245**	**1,103,383,759**	10,015,210	652,791,388

3 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	**9,719**	**672,749**	27,793	1,811,548
Intercompany receivables	**204,357**	**14,145,592**	-	-
Total	**214,076**	**14,818,341**	27,793	1,811,548

4 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Interest Receivable	**209,831**	**14,524,502**	213,024	13,884,904
Total	**209,831**	**14,524,502**	213,024	13,884,904

5 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	-	-	4,442	289,530
Indirect tax receivable	**10,733**	**742,938**	17,508	1,141,171
Total	**10,733**	**742,938**	21,950	1,430,701

6 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	16,247	1,124,617	16,247	1,058,979
Total	16,247	1,124,617	16,247	1,058,979

7 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(2,086,585)	(144,433,414)	19,117,821	1,246,099,573
Profit / (loss) for the year	2,776,811	192,210,859	(21,204,406)	(1,382,103,182)
Total	690,226	47,777,445	(2,086,585)	(136,003,609)

8 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans taken	15,781,651	1,092,405,882	12,144,998	791,610,970
Total	15,781,651	1,092,405,882	12,144,998	791,610,970

9 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	37,318	2,583,152	57,233	3,730,447
Inter Company - Payables	644	44,578	275,436	17,952,918
Total	37,962	2,627,730	332,669	21,683,365

10 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Others	-	-	35	2,281
Total	-	-	35	2,281

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

11 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	**1,039,670**	**71,965,957**	33,467	2,181,379
Total	**1,039,670**	**71,965,957**	33,467	2,181,379

12 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest on loan to subsidiaries	**2,769,705**	**191,718,980**	668,433	43,568,463
Exchange gain -Net	-	-	2,750,205	179,258,362
Total	**2,769,705**	**191,718,980**	3,418,638	222,826,825

13 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	**6,947**	**480,871**	2,674,195	174,304,030
Total	**6,947**	**480,871**	2,674,195	174,304,030

14 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	-	-	3,352	218,483
Communication expenses	**72**	**4,984**	44	2,868
Electricity	**8,623**	**596,884**	8,609	561,135
Exchange loss -Net	**936,470**	**64,822,453**	-	-
Legal and professional fees	**54,596**	**3,779,135**	61,933	4,036,793
Miscellaneous expenses	**1,452**	**100,505**	19,548,482	1,274,170,056
Rates and Taxes	**(29)**	**(2,007)**	2,204	143,657
Repairs and Maintenance - Plant & Machinery	**3,395**	**235,002**	5,566	362,792
Total	**1,004,579**	**69,536,956**	19,630,190	1,279,495,784

15 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	-	-	2,319,321	151,173,343
Total	-	-	2,319,321	151,173,343

6 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	16,247	1,124,617	16,247	1,058,979
Total	16,247	1,124,617	16,247	1,058,979

7 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(2,086,585)	(144,433,414)	19,117,821	1,246,099,573
Profit / (loss) for the year	2,776,811	192,210,859	(21,204,406)	(1,382,103,182)
Total	690,226	47,777,445	(2,086,585)	(136,003,609)

8 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans taken	15,781,651	1,092,405,882	12,144,998	791,610,970
Total	15,781,651	1,092,405,882	12,144,998	791,610,970

9 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	37,318	2,583,152	57,233	3,730,447
Inter Company - Payables	644	44,578	275,436	17,952,918
Total	37,962	2,627,730	332,669	21,683,365

10 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Others	-	-	35	2,281
Total	-	-	35	2,281

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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: 06 MAY 2019

SEPCO Communications (Pty) Limited

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			ZAR	INR*	ZAR	INR*
(A)	**ASSETS**					
(1)	**Current assets**					
	Financial assets					
	(i) Cash and cash equivalent	1	6,589,934	31,433,985	6,658,141	36,686,357
			6,589,934	31,433,985	6,658,141	36,686,357
	TOTAL ASSETS		6,589,934	31,433,985	6,658,141	36,686,357
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	2	1,000	4,770	1,000	5,510
	Other equity	3	5,359,732	25,565,922	6,328,845	34,871,936
	Total Equity		5,360,732	25,570,692	6,329,845	34,877,446
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Borrowings	4	223,676	1,066,935	223,676	1,232,455
			223,676	1,066,935	223,676	1,232,455
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	5	1,005,526	4,796,359	104,620	576,456
			1,005,526	4,796,359	104,620	576,456
	TOTAL EQUITY AND LIABILITIES		6,589,934	31,433,985	6,658,141	36,686,357

*Exchange rate as at 31 March 2019 1 ZAR = INR 4.77 (as at 31 March 2018 1 ZAR = INR 5.51)

SEPCO Communications (Pty) Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			ZAR	INR*	ZAR	INR*
i	Revenue from telecommunications services		-	-	-	-
ii	Other Income	6	-	-	6,909,010	38,068,646
iii	**Total income (i + ii)**		-	-	6,909,010	38,068,646
iv	**Expenses:**					
	(i) Operating and other expenses	7	969,113	4,622,669	274,456	1,512,252
	Total expenses		969,113	4,622,669	274,456	1,512,252
v	**Profit/(loss) before exceptioal items and tax (iii-iv)**		(969,113)	(4,622,669)	6,634,554	36,556,395
vi	**Exceptional items (income / expenses):**		-	-	1,593,763,271	8,781,635,623
vii	**Profit after exceptional item before taxes (v -vi)**		(969,113)	(4,622,669)	1,600,397,825	8,818,192,018
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)**		(969,113)	(4,622,669)	1,597,703,047	8,803,343,791

*Exchange rate as at 31 March 2019 1 ZAR = INR 4.77 (as at 31 March 2018 1 ZAR = INR 5.51)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

SEPCO Communications (Pty) Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	ZAR	INR	ZAR	INR
Balance with bank	6,589,934	31,433,985	6,658,141	36,686,357
Total	6,589,934	31,433,985	6,658,141	36,686,357

2 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	ZAR	INR	ZAR	INR
Equity share capital	1,000	4,770	1,000	5,510
Total	1,000	4,770	1,000	5,510

3 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	ZAR	INR	ZAR	INR
Surplus / (Deficit)				
Opening balance	(514,257,353)	(2,453,007,574)	(2,111,960,400)	(11,636,901,804)
Profit / (loss) for the year	(969,113)	(4,622,669)	1,597,703,047	8,803,343,791
Closing balance	(515,226,466)	(2,457,630,243)	(514,257,353)	(2,833,558,012)
Share premium	515,380,336	2,458,364,203	515,380,336	2,839,745,649
Preference share capital	5,205,862	24,831,962	5,205,862	28,684,300
Total	5,359,732	25,565,922	6,328,845	34,871,936

4 Non-current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	ZAR	INR	ZAR	INR
Unsecured borrowings - Inter company loans taken	223,676	1,066,935	223,676	1,232,455
Total	223,676	1,066,935	223,676	1,232,455

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

5 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	ZAR	INR	ZAR	INR
Trade payables	**1,005,526**	**4,796,359**	104,620	576,456
Total	**1,005,526**	**4,796,359**	104,620	576,456

6 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	ZAR	INR	ZAR	INR
Interest income - bank deposit & others	-	-	6,909,010	38,068,646
Total	-	-	6,909,010	38,068,646

7 Other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	ZAR	INR	ZAR	INR
Miscellaneous expenses	**2,087**	**9,955**	11,005	60,636
Legal and professional fees	**34,500**	**164,565**	263,451	1,451,616
Rates and Taxes	**932,526**	**4,448,149**	-	-
Total	**969,113**	**4,622,669**	274,456	1,512,252

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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: 06 MAY 2019

TCPoP Communications GmbH

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**296,508**	**20,524,284**	377,390	24,598,280
	Intangible assets under development		**547,981**	**37,931,245**	-	-
	Financial assets					
	(i) Loans	2	**687,835**	**47,611,939**	625,709	40,783,713
	(ii) Other financial assets	3	**3,260**	**225,657**	3,578	233,214
	Deferred tax assets (Net)		**-**	**-**	9,377	611,193
	Non current tax asset		**95,792**	**6,630,722**	18,305	1,193,120
	Other non-current assets	4	**579**	**40,078**	-	-
			1,631,955	**112,963,925**	1,034,359	67,419,520
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	5	**98,133**	**6,792,766**	80,126	5,222,612
	(ii) Other financial assets	6	**14,216**	**984,031**	15,551	1,013,614
	Other current assets	7	**131,684**	**9,115,167**	21,583	1,406,780
			244,033	**16,891,964**	117,260	7,643,006
	TOTAL ASSETS		**1,875,988**	**129,855,889**	1,151,619	75,062,526
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	8	**45,681**	**3,162,039**	45,681	2,977,488
	Other equity	9	**1,010,995**	**69,981,073**	999,234	65,130,071
	Total Equity		1,056,676	73,143,112	1,044,915	68,107,559
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	10	**819,312**	**56,712,777**	77,892	5,077,001
	(ii) Other financial liabilities	11	-	-	28,812	1,877,966
			819,312	**56,712,777**	106,704	6,954,967
	TOTAL EQUITY AND LIABILITIES		**1,875,988**	**129,855,889**	1,151,619	75,062,526

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

TCPoP Communications GmbH

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	12	**527,290**	**36,499,014**	403,661	26,310,624
ii	Other Income	13	**26,448**	**1,830,731**	156,739	10,216,248
iii	**Total income (i + ii)**		**553,738**	**38,329,745**	560,400	36,526,872
iv	**Expenses:**					
	Network and transmission expenses	14	**116,037**	**8,032,081**	117,896	7,684,461
	Operating and other expenses	15	**323,890**	**22,419,667**	303,375	19,773,984
	Depreciation and amortisation expenses		**79,671**	**5,514,827**	57,684	3,759,843
	Total expenses		**519,598**	**35,966,575**	478,955	31,218,288
v	**Profit / (loss) before taxes (iii - iv)**		**34,140**	**2,363,170**	81,445	5,308,584
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		**13,002**	**899,998**	-	-
	(ii) Deferred tax expense/(benefit)		**9,377**	**649,076**	(9,377)	(611,193)
	Net tax expenses		**22,379**	**1,549,074**	(9,377)	(611,193)
vii	**Profit / (loss) for the year (v-vi)**		**11,761**	**814,096**	90,822	5,919,777

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Cables	**76,660**	**5,306,405**	76,660	4,996,699
Plant and machinery	**445,216**	**30,817,852**	580,049	37,807,594
(a)	**521,876**	**36,124,257**	656,709	42,804,293
Accumulated depreciation:				
Cables	**16,610**	**1,149,744**	8,944	582,970
Plant and machinery	**208,758**	**14,450,229**	270,375	17,623,043
(b)	**225,368**	**15,599,973**	279,319	18,206,013
Net block (a) - (b)	**296,508**	**20,524,284**	377,390	24,598,280

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans given	**687,835**	**47,611,939**	625,709	40,783,713
Total	**687,835**	**47,611,939**	625,709	40,783,713

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Vendor deposits	**3,260**	**225,657**	3,578	233,214
Total	**3,260**	**225,657**	3,578	233,214

4 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	**579**	**40,078**	-	-
Total	**579**	**40,078**	-	-

5 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	**13,790**	**954,544**	73,668	4,801,680
Intercompany receivables	**84,343**	**5,838,222**	6,458	420,932
Total	**98,133**	**6,792,766**	80,126	5,222,612

6 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Interest Receivable	14,182	981,678	15,551	1,013,614
Others	34	2,353	-	-
Total	**14,216**	**984,031**	15,551	1,013,614

7 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	12,572	870,234	430	28,027
Indirect tax receivable	119,112	8,244,933	21,153	1,378,753
Total	**131,684**	**9,115,167**	21,583	1,406,780

8 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	45,681	3,162,039	45,681	2,977,488
Total	**45,681**	**3,162,039**	45,681	2,977,488

9 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	999,234	69,166,977	908,412	59,210,294
Profit / (loss) for the year	11,761	814,096	90,822	5,919,777
Total	**1,010,995**	**69,981,073**	999,234	65,130,071

10 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	819,312	56,712,777	77,892	5,077,001
Total	**819,312**	**56,712,777**	77,892	5,077,001

11 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Others	-	-	28,812	1,877,966
Total	-	-	28,812	1,877,966

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

12 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	**527,290**	**36,499,014**	403,661	26,310,624
Total	**527,290**	**36,499,014**	403,661	26,310,624

13 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest on loan to subsidiaries	**26,448**	**1,830,731**	35,712	2,327,708
Exchange gain -Net	-	-	121,027	7,888,540
Total	**26,448**	**1,830,731**	156,739	10,216,248

14 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	**116,037**	**8,032,081**	117,896	7,684,461
Total	**116,037**	**8,032,081**	117,896	7,684,461

15 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	**(91)**	**(6,299)**	91	5,931
Communication expenses	**213**	**14,744**	88	5,736
Electricity	**92,672**	**6,414,756**	93,613	6,101,695
Exchange loss -Net	**61,602**	**4,264,090**	-	-
Insurance expenses	**2,576**	**178,311**	1,733	112,957
Legal and professional fees	**37,651**	**2,606,202**	43,881	2,860,164
Miscellaneous expenses	**1,176**	**81,403**	(36,836)	(2,400,969)
Rates and Taxes	**612**	**42,363**	(962)	(62,703)
Rent	**125,746**	**8,704,138**	176,258	11,488,496
Repairs and Maintenance - Plant & Machinery	**971**	**67,213**	24,471	1,595,020
Services rendered by agencies	**762**	**52,746**	1,038	67,657
Total	**323,890**	**22,419,667**	303,375	19,773,984

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Communications Payment Solutions Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

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 2019, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended (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, 2019, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's and the Management report, but does not include the Ind AS financial statements and our auditor's report thereon. The Director's and Management report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 the 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

S.R. BATLIBOI & ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

S.R. Batliboi & Associates LLP, a Limited Liability Partnership with LLP Identity No. AAB-4295
Regd. Office : 22, Camac Street, Block 'B', 3rd Floor, Kolkata-700 016

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 controls, 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.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

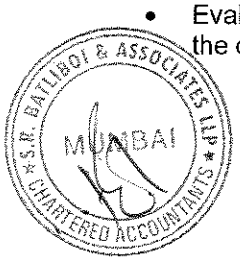
- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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 deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 based on our audit, 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 purposes of our audit;

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

   (c) The Balance Sheet, the Statement of Profit and Loss 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 the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) 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, as amended 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;

      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 of Signature: Mumbai
Date: April 30, 2019

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 have not been physically verified by the management during the year but there is a regular programme of verification 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.

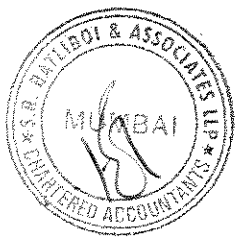
(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits 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 Companies Act, 2013, for the products/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, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to employees' state insurance 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, duty of custom, duty of excise, 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 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 (Rs in lakhs)	Period to which the amount pertains	Forum where the dispute is pending
Kerala Value Added Tax, 2003	Sales Tax	0.87	2013-14	Sales Tax officer-Walayar
Bihar Value Added Tax, 2005	VAT Demand	121.23	2014-15	Deputy Commissioner of Commercial Taxes, Patna
Kerala Value Added Tax, 2003	Sales Tax	7.40	2014-15	Sales Tax Officer Manjeshwaram
UP Value Added Tax, 2008	VAT Demand	45.18	2015-16	Sales Tax officer - Lucknow

(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 financial institution, bank or government or dues to debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money by 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.

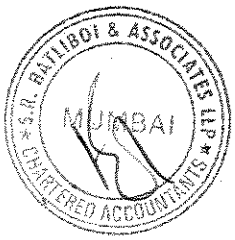
(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(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 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: April 30, 2019

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, 2019, in conjunction with our audit of the 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 with reference to these standalone financial statements 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, 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 with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, 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 Adverse audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

A company's internal financial control over financial reporting with reference to these standalone financial statements 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 with reference to these standalone financial statements 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 With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, 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 with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements 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, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, 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

S.R. BATLIBOI & ASSOCIATES LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Place of Signature: Mumbai
Date: April 30, 2019

Tata Communications Payment Solutions Limited

Balance Sheet as at 31 March 2019

	Particulars	Notes	As at 31 March 2019 ₹ in Lacs	As at 31 March 2018 ₹ in Lacs
A	**ASSETS**			
(1)	**Non-current assets**			
(a)	Property, plant and equipment	3	26,812.10	36,096.13
(b)	Capital work-in-progress		87.68	32.06
(c)	Intangible assets	4	76.94	120.75
(d)	Financial Assets			
	(i) Other financial assets	5A	1,628.07	2,310.52
(e)	Income tax assets (net)	6	1,672.84	731.58
(f)	Other assets	7A	43.08	227.14
	Total non-current assets		30,320.71	39,518.18
(2)	**Current assets**			
(a)	Financial Assets			
	(i) Trade receivables	8	4,035.01	7,544.42
	(ii) Cash and cash equivalents	9	52,092.74	54,440.59
	(iii) Bank balances other than (ii) above	10	17.00	15.00
	(iv) Other financial assets	5B	241.08	873.87
(b)	Other assets	7B	1,966.77	1,153.02
	Total current assets		58,352.60	64,026.90
	Total assets		88,673.31	1,03,545.08
B	**EQUITY AND LIABILITIES**			
I	**Equity**			
(a)	Equity share capital	11	98,709.18	98,709.18
(b)	Other equity	12	(70,891.20)	(58,374.68)
	Total equity		27,817.98	40,334.50
II	**Liabilities**			
(1)	**Non-current liabilities**			
(a)	Provisions	13A	314.33	309.00
(b)	Other liabilities	14A	81.59	121.70
	Total non-current liabilities		395.92	430.70
(2)	**Current liabilities**			
(a)	Financial Liabilities			
	(i) Borrowings	15	45,478.14	45,700.14
	(ii) Trade and other payables			
	1. Total outstanding dues of micro enterprises and small enterprises	16A	429.43	78.78
	2. Total outstanding dues of creditors other than micro enterprises and small enterprises	16B	12,293.97	14,783.06
	(iii) Other financial liabilities	17	1,328.55	1,323.40
(b)	Provisions	13B	12.81	19.47
(c)	Other liabilities	14B	916.51	875.03
	Total current liabilities		60,459.41	62,779.88
	Total equity and liabilities		88,673.31	1,03,545.08

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/E300009

Hormuz Master
Partner
Membership Number: 110797

Place : Mumbai
Dated: 30 April 2019

For and on behalf of the board of Directors

Aadesh Goyal
Director

Sumeet Walia
Director

Rishabh Aditya
Company Secretary

Sanjeev Patel
Chief Executive Officer

Sanjay Agarwal
Chief Financial Officer

Place : Mumbai
Dated: 30 April 2019

Tata Communications Payment Solutions Limited

Statement of Profit and Loss for the year ended 31 March 2019

	Particulars	Notes	Year ended 31 March 2019 ₹ in Lacs	Year ended 31 March 2018 ₹ in Lacs
I	Revenue from operations		35,707.76	38,291.61
			35,707.76	38,291.61
II	Other Income	18	1,244.42	579.44
III	**Total Income (I + II)**		**36,952.18**	**38,871.05**
IV	**Expenses:**			
	Operating and other expenses	19	32,334.22	36,933.37
	Employee benefit expense	20	2,852.06	3,334.91
	Finance costs	21	2,849.92	2,506.75
	Depreciation and amortisation expense	22	11,419.56	14,537.82
	Total Expenses		**49,455.76**	**57,312.85**
V	**Loss before exceptional items and tax (III - IV)**		**(12,503.58)**	**(18,441.80)**
VI	Exceptional Items	23	(18.11)	(57.38)
VII	**Loss before tax (V - VI)**		**(12,521.69)**	**(18,499.18)**
VIII	Tax expense		-	-
IX	**Loss for the year (VII - VIII)**		**(12,521.69)**	**(18,499.18)**
X	**Other comprehensive income/(loss)**			
	Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans		5.17	56.24
	Other comprehensive income/(loss) for the year, net of tax		**5.17**	**56.24**
XI	**Total comprehensive loss for the year, net of tax (IX + X)**		**(12,516.52)**	**(18,442.94)**
	Basic/ Diluted Earnings per share (of ` 10 each)	26	(1.27)	(2.01)

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

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

Place : **Mumbai**
Dated: **30 April 2019**

For and on behalf of the board of Directors

Aadesh Goyal
Director

Sumeet Walia
Director

Rishabh Aditya
Company Secretary

Sanjeev Patel
Chief Executive Officer

Sanjay Agarwal
Chief Financial Officer

Place : **Mumbai**
Dated: **30 April 2019**

Tata Communications Payment Solutions Limited

Cash Flow Statement for the year ended 31 March 2019

Particulars	Year Ended 31 March 2019 ₹ in Lacs	Year Ended 31 March 2018 ₹ in Lacs
Cash Flows from operating activities		
Loss before tax	(12,521.69)	(18,499.18)
Adjustments for :		
Depreciation and amortisation expense	11,419.56	14,537.82
Finance cost	2,849.92	2,506.75
Loss/(Gain) on write off or sale of property, plant and equipment and intangible assets (net)	(346.25)	(36.51)
Fixed assets written off	40.41	-
Allowance for doubtful advances	368.25	(5.86)
Allowance for trade receivables	492.15	503.48
Bad debts	50.19	166.90
Gain on investments carried at fair value through profit or loss	-	(14.84)
Provision/Liabilities no longer required written back	-	256.20
Interest on income tax refund	-	(232.66)
Operating profit before working capital changes	**2,352.54**	**(817.90)**
Adjustment for (increase) / decrease in operating assets:		
Trade receivable	2,967.07	1,739.80
Other assets	172.02	1,591.83
Adjustment for increase / (decrease) in operating liabilities:		
Trade and other payables	(2,049.83)	(1,566.85)
Provisions	(18.49)	(108.92)
Other Liabilities	(18.33)	137.76
Cash (used in) or generated from operations	**3,404.98**	**975.72**
Income tax (paid)/refund received (net)	(941.27)	1,140.99
Net cash flow (Used in) or generated from operating activities	**2,463.71**	**2,116.71**
Cash flow from investing activities		
Payments for purchase of property, plant and equipment and intangible assets	(2,278.17)	(3,273.33)
Proceeds from disposal of property, plant and equipment	448.74	527.72
Purchase of current investment	-	(4,000.00)
Sale of current investment	-	4,014.84
Fixed deposit placed	(2.00)	-
Net cash used in investing activities	**(1,831.43)**	**(2,730.77)**
Cash flow from financing activities		
(Repayment) / Proceeds from current borrowings	(221.99)	15,001.35
Interest paid	(2,758.14)	(2,477.47)
Net cash flow (used in) / generated from financing activities	**(2,980.13)**	**12,523.88**
Net increase an cash and cash equivalents	**(2,347.85)**	**11,909.82**
Cash and cash equivalents as at beginning of the year	54,440.59	42,530.77
Effect of exchange difference on cash and cash equivalents	-	-
Cash and cash equivalents as at end of the year	**52,092.74**	**54,440.59**
Note:		
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

S.R. BATLIBOI & ASSOCIATES LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

For and on Behalf of the Board of Directors

Aadesh Goyal
Director

Sumeet Walia
Director

Rishabh Aditya
Company Secretary

Sanjeev Patel
Chief Executive Officer

Sanjay Agarwal
Chief Financial Officer

Place: **Mumbai**
Dated: **30 April 2019**

Place: **Mumbai**
Dated: **30 April 2019**

Tata Communications Payment Solutions Limited

Statement of changes in equity for the year ended 31 March 2019

A. Equity Share Capital

(₹ in Lacs)

	No. of Shares	Amount
Balance as at 1 April 2018	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
Balance as at 31 March 2019	**98,70,91,784**	**98,709.18**

B. Other Equity

(₹ in Lacs)

Particulars	Securities premium	Contribution from parent company	Retained earnings	Other Comprehensive Income	Total Other equity
Balance as at 31 March 2018	**45,490.81**	**5,496.42**	**(1,09,401.49)**	**39.58**	**(58,374.68)**
Loss for the year	-	-	(12,521.69)	-	(12,521.69)
Other comprehensive income for the year	-	-	-	5.17	5.17
Total comprehensive income/(loss) for the year	**45,490.81**	**5,496.42**	**(1,21,923.18)**	**44.75**	**(70,891.20)**
Balance as at 31 March 2019	**45,490.81**	**5,496.42**	**(1,21,923.18)**	**44.75**	**(70,891.20)**

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

Place: **Mumbai**
Dated: **30 April 2019**

For and on behalf of the Board of Directors

Aadesh Goyal
Director

Sumeet Walia
Director

Rishabh Aditya
Company Secretary

Sanjeev Patel
Chief Executive Officer

Sanjay Agarwal
Chief Financial Officer

Place: **Mumbai**
Dated: **30 April 2019**

TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

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' for its White Label ATM Business. The Company is also 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 lac (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.

S.R. BATLIBOI & ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

MUMBAI

5

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.

Notes forming part of the financial statements

for the year ended 31 March 2019

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 is 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.

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

MUMBAI

Notes forming part of the financial statements

for the year ended 31 March 2019

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

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.

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

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.

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS PAYMENT SOLUTIONS LTD. * MUMBAI

9

, 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 recognised upon transfer of control of promised products or rendering of services to the customers. 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. Revenue is measured at the 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.

The consideration due to the Company is based on number of transaction in the ATMs and interchange rate fixed by RBI for White Label ATM Business and number of transactions / rate per transaction as per contract or a fixed monthly price for services to certain brown label ATMs. POS enablement, hosted core banking and co-branding activities at white label ATMs are as per the contracts.

Accounting treatment of assets arising in course of sale of goods and services is set out below:

Trade Receivables
Trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

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

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS PAYMENT SOLUTIONS LTD. MUMBAI

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.

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.

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

S.N. Mallboi & Associates LLP Chartered Accountants MUMBAI

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 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.

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS PAYMENT SOLUTIONS LTD MUMBAI

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.

r. ***Changes in accounting policies and disclosures***

New and amended standards

The Company applied Ind AS 115 for the first time.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers
Ind AS 115 was notified on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be 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.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption. There was no impact on application of Ind AS 115.

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 Ind AS which the Company has not applied as they are effective for annual periods beginning on or after 01 April 2019.

i. **Ind AS 116 – Leases**

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company has established an implementation team to implement Ind AS 116 related to the recognition of leases 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 from the application of Ind AS 116 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 116 on the financial statements will only be possible once the implementation project has been completed.

ii. **Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement**

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS PAYMENT SOLUTIONS LTD * MUMBAI

Notes forming part of the financial statements

for the year ended 31 March 2019

3. Property, plant and equipment

(₹ in lacs)

	Plant and Machinery	Office Equipment	Computers	Furniture and Fixtures	Leasehold Improvements	Total
Cost						
Balance as at 1 April 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**
Additions	1,222.70	-	10.63	-	1,001.29	2,234.62
Disposals	(8,268.93)	-	-	-	-	(8,268.93)
Assets written off	(1,174.98)	(31.26)	(0.37)	(170.03)	(3,146.91)	(4,523.55)
Balance as at 31 March 2019	**50,387.73**	**48.47**	**1,096.50**	**15.66**	**14.479.17**	**66,027.53**
Accumulated depreciation						
Balance as at 1 April 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
Depreciation	8,240.82	2.03	96.82	(1.14)	3,037.22	11,375.75
Disposals	(8,166.44)	-	-	-	-	(8,166.44)
Assets written off	(1,137.63)	(31.26)	(0.37)	(170.03)	3,143.85	(4,483.14)
Balance as at 31 March 2019	**27,373.43**	**46.28**	**832.79**	**14.52**	**10,948.41**	**39,215.43**
Carrying amount						
Balance as at 31 March 2018	30,172.26	4.22	349.90	-	5,569.75	36,096.13
Balance as at 31 March 2019	**23,014.30**	**2.19**	**263.71**	**1.14**	**3,530.76**	**26,812.10**

4. Intangible assets

(₹ in lacs)

	Computer Software
Cost	
Balance as at 1 April 2017	489.32
Additions	12.03
Balance as at 31 March 2018	501.35
Additions	-
Balance as at 31 March 2019	**501.35**
Accumulated amortization	
Balance as at 1 April 2017	284.97
Amortisation Expense	95.63
Balance as at 31 March 2018	380.60
Amortisation Expense	43.81
Balance as at 31 March 2019	**424.41**
Carrying amount	
Balance as at 31 March 2018	120.75
Balance as at 31 March 2019	**76.94**

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

MUMBAI

Notes forming part of the financial statements

for the year ended 31 March 2019

5. **Other financial assets**

(₹ in lacs)

	As at 31 March 2019	As at 31 March 2018
A. **Non-Current**		
Security deposits		
Unsecured, considered good	1,628.07	2,310.52
Unsecured, considered doubtful	461.68	49.73
	2,089.75	2,360.25
Less: Allowance for doubtful security deposits	(461.68)	(49.73)
Total (A)	**1,628.07**	**2,310.52**
B. **Current**		
Fair value of Foreign currency forward contracts	-	0.36
Advance to vendors and contractors		
Unsecured, considered good	241.08	873.51
Unsecured, considered doubtful	7.63	-
	248.71	873.51
Less: Allowance for doubtful advances	(7.63)	-
Total (B)	**241.08**	**873.51**
(A+B)	**1,869.15**	**3,184.39**

6. **Income tax assets (net)**

(₹ in lacs)

	As at 31 March 2019	As at 31 March 2018
Tax refund receivable	1,672.84	731.58
Total	**1,672.84**	**731.58**

S.R. BATLIBOI & ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

MUMBAI

Notes forming part of the financial statements

for the year ended 31 March 2019

7. Other assets

(₹ in lacs)

		As at 31 March 2019	As at 31 March 2018
A.	**Non-current**		
a.	Prepaid expenses – Unsecured, Considered good	38.37	77.14
b.	Capital Advances – Unsecured, Considered good	4.71	150.00
	Total (A)	**43.08**	**227.14**
B.	**Current**		
a.	Taxes recoverable (net) – Considered good	945.05	677.44
b.	Advance to Vendors		
	Unsecured, considered good	471.15	312.19
	Unsecured, considered doubtful	118.17	169.50
		589.32	481.69
	Less: Allowance for doubtful advances	(118.17)	(169.50)
		471.15	312.19
c.	Prepaid expenses – Unsecured, Considered good	542.66	156.93
d.	Interest Receivable – Unsecured, Considered good	2.39	1.20
e.	Advances to Employees – Unsecured, Considered good	5.52	5.26
	Total (B)	**1,966.77**	**1,153.02**
	(A+B)	**2,009.85**	**1,380.16**

8. Trade receivables

(₹ in lacs)

		As at 31 March 2019	As at 31 March 2018
	Unsecured (including unbilled receivables)		
a.	Considered good	4,035.01	7,544.42
b.	Considered doubtful	2,454.73	1,962.58
		6,489.74	**9,507.00**
	Less: Allowance for doubtful debts (expected credit loss allowance) (Refer note 33 (b))	(2,454.73)	(1,962.58)
	Total	**4,035.01**	**7,544.42**

9. Cash and cash equivalents

(₹ in lacs)

		As at 31 March 2019	As at 31 March 2018
a.	Balances at ATM	36,782.27	43,002.78
b.	Remittance in transit	11,728.61	3,622.20
c.	Cash in vault	2,867.14	4,145.38
d.	Balances with banks	714.72	3,670.23
	Total	**52,092.74**	**54,440.59**

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

MUMBAI

Notes forming part of the financial statements

for the year ended 31 March 2019

10. **Bank balances (other than note 9 above)**

(₹ in lacs)

	As at 31 March 2019	As at 31 March 2018
Other bank balances:		
Restricted bank deposits (Refer Note i below)	17.00	15.00
Total	**17.00**	**15.00**

i. ₹ 17.00 lacs (2018: ₹ 15.00 lacs) represents the amount withheld towards legal matters.

11. **Equity share capital**

(₹ in lacs)

	As at 31 March 2019	As at 31 March 2018
a. **Authorised:**		
1,000,000,000 (2018: 1,000,000,000) Equity Shares of ₹ 10 each (Note a and b)	100,000.00	100,000.00
110,00,00,000 (2018: 11,00,000,000) 12% Convertible Preference Shares of face value ₹ 10/- each	110,000.00	110,000.00
	210,000.00	**210,000.00**
b. **Issued, Subscribed and Paid up:**		
987,091,784 (2018: 987,091,784) Equity Shares of ₹ 10 each, fully paid up	98,709.18	98,709.18
Total	**98,709.18**	**98,709.18**

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. Number of shares held by each shareholder holding more than 5% of the issued share capital:

Tata Communications Limited	**As at 31 March 2019**		As at 31 March 2018	
(Holding Company)	**No of shares**	**Percentage**	No of shares	Percentage
Equity shares	987,091,784	100%	987,091,784	100%

c. **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.

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS PAYMENT SOLUTIONS LTD. MUMBAI

Notes forming part of the financial statements

for the year ended 31 March 2019

12. **Other equity**

(₹ in lacs)

		As at 31 March 2019	As at 31 March 2018
a.	Retained earnings	(1,21,923.18)	(1,09,401.49)
b.	Other comprehensive income (Refer note i)	44.75	39.58
c.	Securities premium (Refer note ii)	45,490.81	45,490.81
d.	Contribution from parent company (Refer note iii)	5,496.42	5,496.42
	Total	**(70,891.20)**	**(58,374.68)**

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 of equity related expenses and issue of bonus shares.

iii. **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 lacs)

		As at 31 March 2019	As at 31 March 2018
A.	**Non-current**		
	Provision for employee benefits (Refer note i below)		
	a. Provision for gratuity	207.96	197.00
	b. Provision for compensated absences	106.37	112.00
	Total (A)	**314.33**	**309.00**
B.	**Current**		
	Provision for employee benefit (Refer note i below)		
	a. Provision for compensated absences	12.81	19.47
	Total (B)	**12.81**	**19.47**
	(A+B)	**327.14**	**328.47**

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.

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

MUMBAI

Notes forming part of the financial statements

for the year ended 31 March 2019

14. Other liabilities

(₹ in lacs)

		As at 31 March 2019	As at 31 March 2018
A.	**Non-current**		
	Accrued employee benefits	81.59	121.70
	Total (A)	**81.59**	**121.70**
B.	**Current**		
a.	Accrued payroll	600.07	626.48
b.	Statutory liabilities	297.40	223.60
c.	Deferred revenue (Refer note i below)	-	6.88
d.	Other liabilities	19.04	18.07
	Total (B)	**916.51**	**875.03**
	(A+B)	**998.10**	**996.73**

i. Contract liabilities comprise of deferred revenue

15. Borrowings

(₹ in lacs)

	As at 31 March 2019	As at 31 March 2018
Current		
Loans repayable on demand (from banks)		
a. Bank overdraft (Rate of interest per annum: 8.25% to 9.20%; 2018: 8.25% to 10.60%)	22,478.14	45,700.14
b. Working capital demand loan (Rate of interest: 8.45%; 2018: NA)	23,000.00	-
Total	**45,478.14**	**45,700.14**

16. Trade and other payables

(₹ in lacs)

		As at 31 March 2019	As at 31 March 2018
A	Total outstanding dues of micro enterprises and small enterprises (Refer note 31)	429.43	78.78
	(I)	**429.43**	**78.78**
B	Total outstanding dues of creditors other than micro enterprises and small enterprises		
	i. Trade payables	10,417.72	13,721.42
	ii. Payable to related parties	1,876.25	1,061.64
	(II)	**12,293.97**	**14,783.06**
	Total (I+II)	**12,723.40**	**14,861.84**

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

MUMBAI

Notes forming part of the financial statements

for the year ended 31 March 2019

17. **Other financial liabilities**

(₹ in lacs)

		As at 31 March 2019	As at 31 March 2018
	Current		
a.	Capital goods		
	i. Other	1,220.24	1,282.25
	ii. Payable to related parties	36.11	18.67
b.	Customer deposit	1.80	1.80
c.	Book overdraft	-	18.57
d.	Accrued interest	69.45	-
e.	Fair value of Foreign currency forward contracts	0.01	-
f.	Other payables	0.94	2.11
	Total	**1,328.55**	**1,323.40**

18. **Other income**

(₹ in lacs)

		Year ended 31 March 2019	Year ended 31 March 2018
a.	Interest on income tax refund	65.94	232.66
b.	Gain on investments carried at fair value through profit or loss	-	14.84
c.	Foreign exchange loss (net)	3.68	(2.35)
d.	Provision/Liabilities no longer required written back	732.71	256.20
e.	Others	442.09	78.09
	Total	**1,244.42**	**579.44**

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS PAYMENT SOLUTIONS LTD. * MUMBAI

Notes forming part of the financial statements

for the year ended 31 March 2019

19. **Operating and other expense**

(₹ in lacs)

		Year ended 31 March 2019	Year ended 31 March 2018
a.	Network cost	1,073.96	1,431.00
b.	Cash management fees	9,273.61	9,709.87
c.	Caretaker charges	340.88	1,708.24
d.	Lease rental		
	i. Site rent charges	5,718.40	8,350.58
	ii. Rent for hired building	474.53	465.83
e.	Electricity expenses	2,048.73	927.52
f.	Consumables	198.02	406.26
g.	Cash handling loss	385.04	186.78
h.	Repairs and maintenance	6,931.08	6,494.69
i.	Legal and professional fees	735.74	851.19
j.	Services rendered by agencies	2,537.46	4,069.09
k.	Rates and taxes	39.09	47.03
l.	Travelling expenses	469.08	439.59
m.	Advertising and publicity	81.39	65.65
n.	Insurance	159.36	212.22
o.	Loss/(Gain) on write off or sale of property, plant and equipment and intangible assets (net)	40.41	(36.51)
p.	Bad debts	50.19	166.90
q.	Allowance for doubtful trade receivables	492.15	503.48
r.	Allowance for doubtful advances	368.25	(5.86)
s.	Telephone expenses	50.13	70.73
t.	Printing, postage and stationery	22.37	26.44
u.	Management fees WLA	207.76	548.37
v.	Other expenses (refer note i below)	636.59	294.28
	Total	**32,334.22**	**36,933.37**

i. Other expenses include auditor's remuneration as follows:

(₹ in lacs)

	Year ended 31 March 2019	Year ended 31 March 2018
Auditor's remuneration and expenses (excluding goods and service tax)		
a. Audit fees	15.00	15.00
b. Tax Audit fees	3.00	3.00
c. Other professional services	2.92	0.75

ii. Operating and other expenses includes an adjustment on account of liabilities no longer required written back, pertaining to prior years.

Notes forming part of the financial statements
for the year ended 31 March 2019

20. Employee benefit expense

(₹ in lacs)

		Year ended 31 March 2019	Year ended 31 March 2018
a.	Salaries and related costs	2,617.79	2,969.73
b.	Contributions to provident and other funds (Refer note 27)	105.53	119.28
c.	Gratuity expense (Refer note 27)	34.26	50.82
d.	Staff welfare expenses	94.48	195.08
	Total	**2,852.06**	**3,334.91**

21. Finance costs

(₹ in lacs)

		Year ended 31 March 2019	Year ended 31 March 2018
a.	Interest on bank overdraft	1,839.87	1,603.23
b.	Interest on Working capital demand loan	95.60	354.88
c.	Interest on commercial papers*	892.12	543.39
d.	Others	22.33	5.25
	Total	**2,849.92**	**2,506.75**

* Interest on commercial paper for the year ended March 31, 2019 and 2018 pertains to commercial papers issued and redeemed during the respective years.

22. Depreciation and amortisation expense

(₹ in lacs)

		Year ended 31 March 2019	Year ended 31 March 2018
a.	Depreciation for the year on property, plant and equipment	11,375.75	14,442.19
b.	Amortisation for the year on intangible assets	43.81	95.63
	Total	**11,419.56**	**14,537.82**

23. Staff cost optimisation

As part of its initiative to enhance the long-term efficiency of the business, during the current 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 ₹ 18.11 lacs (2018: ₹ 57.38 lacs)

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS PAYMENT SOLUTIONS LTD. * MUMBAI

Notes forming part of the financial statements

for the year ended 31 March 2019

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 lacs)

		As at 31 March 2019	As at 31 March 2018
	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	36,023.80	34,265.18
b.	Unabsorbed depreciation	47,431.80	39,823.74
	Total	**83,455.60**	**74,088.92**

The carried forward losses will expire as below

	Particulars	Expiration of losses
a.	Business losses	Between FY 2021 to 2027
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 lacs)

	As at 31 March 2019	As at 31 March 2018
Net Loss after tax used attributable to the equity shareholders (A)	(12,521.69)	(18,499.18)
Number of equity shares outstanding at the end of the year	98,70,91,784	98,70,91,784
Weighted average number of shares outstanding during the year (B)	98,70,91,784	91,82,57,505
Basic and diluted earnings per share (₹ per equity share of ₹ 10 each) (A/B)	**(1.27)**	**(2.01)**

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

MUMBAI

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 ₹ 104.25 lacs (2018: ₹ 119.07 lacs) have been charged to the Statement of Profit and Loss under contributions to provident and other funds (Refer note 20)

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund dated February 28, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order.

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 2019 by an accredited actuary.

The principal assumptions used for the purposes of the actuarial valuations were as follows

	As at 31 March 2019	As at 31 March 2018
Principal Actuarial assumptions		
Discount rate	7.30%	7.50%
Salary Escalation Rate	7.00%	7.00%
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.

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS PAYMENT SOLUTIONS LTD. MUMBAI

Notes forming part of the financial statements

for the year ended 31 March 2019

Amounts recognised in the statement of profit and loss in respect of these defined benefit plans are as follows

(₹ in lacs)

		As at 31 March 2019	As at 31 March 2018
	Expenses recognised in the statement of profit and loss		
a.	Current service cost	34.26	38.42
b.	Past service cost	-	12.40
c.	Interest cost	13.59	14.74
	Components of defined benefit costs recognized in the Statement of Profit and Loss	**47.85**	**65.56**
	Remeasurement on the net defined benefit liability		
a.	Actuarial (gains) / losses arising from Defined benefit obligation assumption changes	3.26	(46.18)
b.	Actuarial (gains) / losses arising from the changes in experience adjustments	(8.43)	(10.06)
	Components of defined benefit costs recognized in other comprehensive income	**(5.17)**	**(56.24)**

The details in respect of the unfunded amounts recognised in the balance sheet for these defined benefit schemes are as under

(₹ in lacs)

		As at 31 March 2019 (Unfunded)	As at 31 March 2018 (Unfunded)
I	**Amount recognized in the balance sheet**		
	Liability at the end of the year	207.96	197.00
	Net liability in the balance sheet	**207.96**	**197.00**
	Non-current provision (Refer note 13A)		197.00
II.	**Change in the Defined Benefit Obligation (DBO)**		
	Present value of DBO at the beginning of the year	197.00	217.98
	Current service cost	34.26	50.82
	Interest cost	13.59	14.74
	Liability transfer in/(out) from/to other Company	(2.50)	(3.70)
	Amount recognized in Other Comprehensive income	(5.17)	(56.24)
	Benefits paid	(29.22)	(26.60)
	Present value of DBO at the end of the year	**207.96**	**197.00**

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

MUMBAI

Notes forming part of the financial statements

for the year ended 31 March 2019

A quantitative sensitivity analysis for significant assumptions as at 31 March 2019 and 31 March 2018 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 lacs)

	As at 31 March 2019	As at 31 March 2018
Effect on DBO due to 1% increase	(15.50)	(14.83)
Effect on DBO due to 1% decrease	17.72	17.03

2. Salary escalation rate

(₹ in lacs)

	As at 31 March 2019	As at 31 March 2018
Effect on DBO due to 1% increase	16.24	15.98
Effect on DBO due to 1% decrease	(14.72)	(14.58)

3. Withdrawal rate

(₹ in lacs)

	As at 31 March 2019	As at 31 March 2018
Effect on DBO due to 5% increase	1.81	0.26
Effect on DBO due to 5% decrease	(4.22)	(2.92)

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 lacs)

		As at 31 March 2019
a.	March 31, 2020	18.31
b.	March 31, 2021	21.49
c.	March 31, 2022	24.32
d.	March 31, 2023	26.44
e.	March 31, 2024	28.61
f.	March 31, 2025 to March 31, 2029	192.72

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

COMMUNICATIONS PAYMENT SOLUTIONS LTD. MUMBAI

There has been no change in the process used by the Company to manage its risks from prior years.

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.

The liability for compensated absences as at the year-end is ₹ 119.18 lacs (2018: ₹ 131.47 lacs) as shown under non-current provisions ₹ 106.37 lacs (2018: ₹ 112.00 lacs) and current provisions ₹ 12.81 lacs (2018: ₹ 19.47 lacs). Compensated absences expenses amounting to ₹ 9.79 lacs (2018: ₹ (40.60) lacs) 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*	Tata Communications Transformation Services Limited 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
4	Controlling parties & its affiliates##	TRIL Infopark Limited Tata Consultancy Services Limited Tata Teleservices Limited Tata Asset Management Limited *(w.e.f 28.05.2018)* Titan Limited Tata Teleservices (Maharashtra) Limited Nelco Limited *(w.e.f 28.05.2018)* Vortex Engineering Private Limited *(w.e.f 28.05.2018)* Tatanet Services Limited *(w.e.f 28.05.2018)* The Indian Hotels Company Limited *(w.e.f 28.05.2018)* Voltas Limited *(w.e.f 28.05.2018)* The Tata Power Company Limited *(w.e.f 28.05.2018)*

**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.

On May 28, 2018, Tata Sons Private Limited ('TSPL') and its wholly owned subsidiary, Panatone Finvest Limited ('Panatone'), increased their combined stake in TCL to 48.90% there by gaining de-facto control as per Ind-AS. Accordingly, the Holding Company has classified TSPL and Panatone as "Controlling Entities" and disclosed TSPL, its subsidiaries, joint ventures and associates as the 'Controlling parties and its affiliates', effective this date. The Company had disclosed TSPL, its subsidiaries and its joint ventures as 'Affiliates of Holding Company' in the previous year.

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS PAYMENT SOLUTIONS LTD MUMBAI

Notes forming part of the financial statements

for the year ended 31 March 2019

ii. **Summary of transactions with related parties**

(₹ in lacs)

Particulars	Holding company & its associates	Fellow subsidiaries	Controlling parties & its affiliates	Total
Revenue from operations			**1.45**	**1.45**
			21.73	*21.73*
Shared service recovery	**15.63**	**24.11**		**39.74**
	16.69	*23.74*		*40.43*
Operating and other expenses				
Network cost	**692.05**		**164.28**	**856.33**
	888.53		*49.17*	*937.70*
Rent on hired building	**450.99**		**1.40**	**452.39**
	442.96		*1.38*	*444.34*
Services rendered by agencies	**376.06**	**16.92**		**392.98**
	216.26	*7.79*		*224.05*
Site rent charges			**(1.80)**	**(1.80)**
			0.14	*0.14*
Telephone expenses			**15.33**	**15.33**
			8.67	*8.67*
Other expenses			**16.68**	**16.68**
	32.23	*3.64*	-	*35.87*
AMCs and Repairs & Maintenance			**155.26**	**155.26**
			-	-

iii. **Balances with related parties as at 31 March 2019**

(₹ in lacs)

Particulars	Holding company & its associates	Fellow subsidiaries	Controlling parties & its affiliates	Total
Trade and other payables	**1,668.30**	**17.92**	**190.03**	**1,876.25**
	970.80	*16.74*	*74.10*	*1,061.64*
Other financials liabilities			**36.11**	**36.11**
			18.67	*18.67*
Trade Receivables		**10.82**	**0.08**	**10.90**
		23.82	*0.45*	*24.27*
Other current assets	**2.00**		**81.26**	**83.26**
	-		*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 lacs)

	As at 31 March 2019	As at 31 March 2018
Minimum lease payments under operating leases recognized as expense in the year	5,718.40	8,350.58

At the balance sheet date, minimum lease payments under operating leases fall due as follows

(₹ in lacs)

	As at 31 March 2019	As at 31 March 2018
Due not later than one year	4,910.47	6,435.60
Due later than one year but not later than five years	6,939.20	12,089.98
Later than five years	-	3.87
Total	**11,849.67**	**18,529.45**

Notes forming part of the financial statements

for the year ended 31 March 2019

30. **Contingent liabilities and commitments**

I. **Contingent liabilities**

(₹ in lacs)

	As at 31 March 2019	As at 31 March 2018
a. Entry Tax / Value Added Tax / Sales Tax/Income Tax (Refer Note i)	198.58	152.17

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 these 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 ₹ 927.70 lacs (2018: ₹ 690.61 lacs).

31. **Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

(₹ in lacs)

		As at 31 March 2019	As at 31 March 2018
a.	Principal amount remaining unpaid to any supplier as at the end of the accounting year	424.76	74.11
b.	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	4.67	4.67
c.	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	5,254.85	-
d.	The amount of interest due and payable for the year	4.67	4.67
e.	The amount of interest accrued and remaining unpaid at the end of the accounting year	4.67	4.67
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	429.43	78.78

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.

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS PAYMENT SOLUTIONS LTD. MUMBAI

Notes forming part of the financial statements

for the year ended 31 March 2019

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 2019 is as follows

(₹ in lacs)

	Derivatives instrument	Amortised cost	Total carrying value
Financial Assets:			
Other financial assets		1,869.15	1,869.15
Trade receivables		4,035.01	4,035.01
Cash and Cash equivalents		52,092.74	52,092.74
Other bank balances		17.00	17.00
Total		**58,013.90**	**58,013.90**
Financials Liabilities:			
Borrowings		45,478.14	45,478.14
Other financial liabilities	0.01	1,328.54	1,328.55
Trade payables		12,723.40	12,723.40
Total	**0.01**	**59,530.98**	**59,530.99**

The carrying value of financial instruments by categories as at 31 March 2018 is as follows

(₹ in lacs)

	Derivatives instrument	Amortised cost	Total carrying value
Financial Assets:			
Other financial assets	0.36	3,184.03	3,184.39
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**	**65,184.04**	**65,184.40**
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**

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payables as at 31 March 2019 and 31 March 2018 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.

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS PAYMENT SOLUTIONS LTD. MUMBAI

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)

(₹ in lacs)

Financial assets/liabilities	Fair value as at		Fair value hierarchy
	31 March 2019	31 March 2018	
Financial Assets			
Foreign exchange forward contracts	-	0.36	Level 2
Financial Liabilities			
Foreign exchange forward contracts	0.01	-	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.

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

The sensitivity analysis in the following sections relate to the position as at 31 March 2019 and 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 2019 and 31 March 2018.

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 lacs)

Ageing of receivables net of provisions	**As at 31 March 2019**	As at 31 March 2018
Within credit period	1,733.26	2,933.64
1-90 days	718.17	1,582.43
91-180 days	697.67	1,464.06
181-360 days	591.30	1,552.11
More than 360 days	294.61	12.18
Total	**4,035.01**	**7,544.42**

Movement in the expected credit loss allowance

(₹ in lacs)

	Year ended 31 March 2019	Year ended 31 March 2018
Balance at beginning of the year	1,962.58	1,459.10
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses (net)	542.34	670.38
Less: Bad debts	(50.19)	(166.90)
Balance at the end of the year	**2,454.73**	**1,962.58**

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

MUMBAI

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.

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 lacs)

As at 31 March 2019	On demand	0 to 12 months	1 to 5 years	>5 years	Total
Trade and other payables	2,201.17	10,522.23	-	-	12,723.40
Other Financials Liabilities	893.53	435.02	-	-	1,328.55
Current borrowings	22,478.14	23,000.00	-	-	45,478.14

(₹ in lacs)

As at 31 March 2018	On demand	0 to 12 months	1 to 5 years	>5 years	Total
Trade and other payables	3,482.41	11,379.43	-	-	14,861.84
Other Financials Liabilities	1,281.91	41.49	-	-	1,323.40
Current borrowings	45,700.14	-	-	-	45,700.14

34. The Company has incurred a loss of ₹ 12,516.52 lacs during the year (2018: ₹ 18,442.94 lacs), has accumulated losses of ₹ 121,878.43 lacs (2018: ₹ 109,361.91) and has a negative working capital of ₹ 2,106.81 lacs (2018: positive working capital of ₹ 1,247.01 lacs) as at the year end. The Company has unutilised sanctioned loan facilities and 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.

35. **Events after reporting period**

There are no subsequent events between the year ended 31 March 2019 and signing of financial statements as on 30 April 2019 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 30 April 2019.

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS PAYMENT SOLUTIONS LTD. MUMBAI

TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

37. Previous year's figures have been regrouped/ re-arranged where necessary to confirm to current year's classification / disclosure.

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: **30 April 2019**

Place: **Mumbai**
Date: **30 April 2019**

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Communications Transformation Services Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of Tata Communications Transformation Services Limited (the "Company"), which comprise the Balance sheet as at March 31 2019, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended (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, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS financial statements section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's and the Management report, but does not include the Standalone Ind AS financial statements and our auditor's report thereon. The Director's and Management report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

S.R. BATLIBOI & ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

S.R. Batliboi & Associates LLP, a Limited Liability Partnership with LLP Identity No. AAB-4295
Regd. Office : 22, Camac Street, Block 'B', 3rd Floor, Kolkata-700 016

Responsibilities of Management for the Standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS financial statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such 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

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

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

- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS 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 deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 based on our audit, 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 purposes of our audit;

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

   (c) The Balance Sheet, the Statement of Profit and Loss 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 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 the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to these Standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company, to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

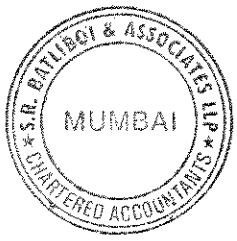
i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements - Refer Note 31 to the Standalone Ind AS financial statements;

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 of Signature: Mumbai
Date: April 30, 2019

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:

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

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	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	47.71	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 MUMBAI CHARTERED ACCOUNTANTS

(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: April 30, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED

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, 2019 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.

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

S.R. BATLIBOI & ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

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, 2019, 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: April 30, 2019

Tata Communications Transformation Services Limited

Standalone Balance Sheet as at 31 March 2019

	Particulars	Notes	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
A	**ASSETS**			
(1)	**Non-current assets**			
(a)	Property, plant and equipment	3	4,049.83	3,263.79
(b)	Capital work-in-progress		76.80	579.93
(c)	Intangible assets	4	1,471.92	1,313.48
(d)	Intangible assets under development		66.40	0.40
(e)	Financial assets			
	(i) Investments	5A	110.66	110.66
	(ii) Other financial assets	6A	73.48	29.04
(f)	Deferred tax assets (net)	7	1,923.81	2,243.79
(g)	Income tax assets (net)	8	9,104.01	5,375.60
(h)	Other assets	9A	285.97	448.50
	Total non-current assets		**17,162.88**	**13,365.19**
(2)	**Current assets**			
(a)	Financial assets			
	(i) Investments	5B	6,049.15	2,130.12
	(ii) Trade receivables	10	53,426.08	44,695.49
	(iii) Cash and cash equivalents	11	1,882.45	1,687.15
	(iv) Other financial assets	6B	215.84	114.83
(b)	Other assets	9B	4,657.90	1,302.98
	Total current assets		**66,231.42**	**49,930.57**
	Total assets		**83,394.30**	**63,295.76**
B	**EQUITY AND LIABILITIES**			
I	**Equity**			
(a)	Equity share capital	12	50.00	50.00
(b)	Other equity	13	38,859.67	33,091.61
	Total equity		**38,909.67**	**33,141.61**
II	**Liabilities**			
(1)	**Non-current liabilities**			
(a)	Provisions	14A	1,297.51	1,306.82
(b)	Other liabilities	15A	345.25	323.23
	Total non-current liabilities		**1,642.76**	**1,630.05**
(2)	**Current liabilities**			
(a)	Financial Liabilities			
	(I) Trade and other payables			
	1. Total outstanding dues of micro enterprises and small enterprises	16A	368.82	294.05
	2. Total outstanding dues of creditors other than micro enterprises and small enterprises	16B	35,864.86	19,727.24
	(ii) Other financial liabilities	17	428.26	494.40
(b)	Provisions	14B	238.75	243.27
(c)	Current Tax liabilities (net)	18	-	5.14
(d)	Other liabilities	15B	5,941.18	7,760.00
	Total current liabilities		**42,841.87**	**28,524.10**
	Total equity and liabilities		**83,394.30**	**63,295.76**

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

Place : **Mumbai**
Dated: **30 April 2019**

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: **30 April 2019**

Tata Communications Transformation Services Limited

Standalone Statement of Profit and Loss for the year ended 31 March 2019

	Particulars	Notes	Year ended 31 March 2019 ₹ in Lakhs	Year ended 31 March 2018 ₹ in Lakhs
I	Revenue from operations		1,16,762.14	1,07,775.66
			1,16,762.14	1,07,775.66
II	Other Income	19	1,664.17	850.41
III	**Total Income (I + II)**		**1,18,426.31**	**1,08,626.07**
IV	**Expenses:**			
	Operating and other expense	20	72,043.21	52,961.54
	Employee benefits expense	21	35,948.67	39,695.54
	Finance costs	22	108.50	221.86
	Depreciation and amortisation expense	23	1,675.62	1,954.05
	Total Expenses		**1,09,776.00**	**94,832.99**
V	**Profit before exceptional items and tax (III - IV)**		**8,650.31**	**13,793.08**
VI	Exceptional gain/(loss)	24	199.67	(1,787.53)
VII	**Profit before tax (V + VI)**		**8,849.98**	**12,005.55**
VIII	**Tax expense :**			
	(a) Current tax	25	2,876.22	4,747.96
	(b) Deferred tax		280.05	(573.84)
IX	**Profit for the Year (VII - VIII)**		**5,693.71**	**7,831.43**
X	**Other comprehensive income/(loss)**			
	Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans		114.29	801.82
	(ii) Tax on above		39.94	277.49
	Other comprehensive income/(loss) for the year, net of tax		**74.35**	**524.33**
XI	**Total comprehensive income for the year, net of tax (IX + X)**		**5,768.06**	**8,355.76**
	Basic/Diluted Earnings per share (of ₹ 10 each)	27	1,138.74	1,566.29

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

Place : Mumbai
Dated: **30 April 2019**

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: **30 April 2019**

Tata Communications Transformation Services Limited
Standalone Cash Flow Statement for the year ended 31 March 2019

Particulars	Year Ended	
	31 March 2019 ₹ in Lakhs	31 March 2018 ₹ in Lakhs
Cash flows from operating activities		
Profit before tax	8,849.98	12,005.55
Adjustments for :		
Depreciation and amortisation expense	1,675.62	1,954.05
Finance costs	108.50	221.86
Loss on sale of/write off assets	(2.01)	-
Exchange fluctuation on foreign exchange	188.29	1,656.70
Interest income on financial asset carried at amortised cost	-	(0.57)
Gain on investments carried at fair value through profit and loss (net)	(247.81)	(158.88)
Interest on income tax refund	-	(182.30)
Allowance for doubtful advances	-	2.28
Allowance of doubtful trade receivables	(5.11)	(9.78)
Operating profit before working capital changes	**10,567.46**	**15,488.91**
Changes in working capital		
Adjustment for (increase) / decrease in operating assets:		
Trade receivables	(8,725.49)	5,893.58
Other assets	(3,323.11)	(750.64)
Adjustment for increase / (decrease) in operating liabilities:		
Trade and other payables	16,212.39	(4,451.82)
Provisions	4.07	(1,310.69)
Other liabilities	(1,788.21)	1,843.06
Cash generated from operations	**12,947.11**	**16,712.40**
Income tax paid (net)	(6,609.76)	(5,281.83)
Net cash flow generated from operating activities	**6,337.35**	**11,430.57**
Cash flow from investing activities		
Payments for purchase of property, plant & equipment and intangibles	(2,272.93)	(2,191.32)
Proceeds from disposal of property, plant and equipment and intangibles	2.53	10.41
Investment in subsidiary	-	(76.91)
Interest received	-	0.57
Purchase of current investment	(61,150.00)	(47,900.00)
Sale of current investment	57,478.77	45,928.76
Net cash used in investing activities	**(5,941.64)**	**(4,228.49)**
Cash flow from financing activities		
Repayment from current borrowings	(156.04)	(6,233.98)
Interest paid	(12.12)	(43.42)
Net cash flow generated used in financing activities	**(168.16)**	**(6,277.40)**
Net increase in cash and cash equivalents	**227.55**	**924.68**
Cash and cash equivalents as at beginning of the year	1,687.15	780.06
Effect of exchange difference on cash and cash equivalents	(32.25)	(17.59)
Cash and cash equivalents as at end of the year	**1,882.45**	**1,687.15**

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

Place : **Mumbai**
Dated: **30 April 2019**

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: **30 April 2019**

Tata Communications Transformation Services Limited

Standalone Statement of changes in equity

Equity share capital

(₹ in Lakhs)

	No. of Shares	Amount
Balance as at 1 April 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
Changes in equity share capital during the year	-	-
Balance as at 31 March 2019	**5,00,000**	**50.00**

Other equity

(₹ in Lakhs)

Particulars	General reserve	Retained earnings	Other comprehensive income	Total
Balance as at 1 April 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
Net profit for the year		5,693.71		5,693.71
Other comprehensive income/(loss) for the year			114.29	114.29
Tax impact in other comprehensive income/(loss) for the year			(39.94)	(39.94)
Total comprehensive income/(loss) for the year	-	5,693.71	74.35	5,768.06
Balance as at 31 March 2019	**1,381.97**	**37,187.33**	**290.37**	**38,859.67**

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

S.R. BATLIBOI & ASSOCIATES LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

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: **30 April 2019**

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED ★ MUMBAI

Place : **Mumbai**
Dated: **30 April 2019**

Notes forming part of the standalone financial statements

for the year ended 31 March 2019

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.

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.

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

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.

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.

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

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, on disposal. 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.

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

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 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. 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.

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.

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

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.

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.

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

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 upon transfer of control of promised products or services to the customers. As per the terms of the contract with the customers and accordingly the performance obligations are determined, and transactions prices are allocated. 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. Revenue is measured at the 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.

The Company derives its revenues from telecommunication network management consulting, supply of equipment's and other support services. Revenues from the said services are derived from unit-priced contracts. The consideration due to the Company is based on the performance of these services. Revenue is recognised as the related services are performed, in accordance with the specific terms of the contract with the customers.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Accounting treatment of assets and liabilities arising in course of sale of goods and services is set out below:

Trade receivables
A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

I. Contract assets
Contract asset is recorded when revenue is recognized in advance of companies right to bill and receive the consideration (i.e. we must perform additional services or complete a milestone of performance obligation in order to bill and receive the consideration as per the contract terms).

II. Contract liabilities
Contract liabilities represent consideration, received from customers in advance for providing the goods and services promised in the contract. The revenue recognition of the same is deferred until the related performance obligation as per the contract with the customer is satisfied.

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.

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

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.
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

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS TRANSFORMATION SERVICES LTD. MUMBAI

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.

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.

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

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.

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.

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.

*r. **Changes in accounting policies and disclosures***

New and amended standards

The Company applied Ind AS 115 for the first time.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers
Ind AS 115 was notified on 28 March 2018 and it supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue. The same is applicable with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be 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.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption. There was no impact on the company due to application of Ind AS 115.

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

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 Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2019

i. **Ind AS 116 – Leases**

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from 1 April 2019. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

ii. **Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement**

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Notes forming part of the standalone financial statements

for the year ended 31 March 2019

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 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
Additions	731.97	-	580.59	301.85	117.17	390.48	2122.06
Disposals	-	-	(10.47)	-	-	-	(10.47)
Balance as at 31 March 2019	**4,031.24**	**21.78**	**2,575.71**	**960.52**	**948.80**	**4059.16**	**12,597.21**
Accumulated depreciation							
Balance as at 1 April 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
Depreciation	343.08	7.26	294.96	61.43	87.80	540.97	1335.50
Disposals	-	-	(9.95)	-	-	-	(9.95)
Balance as at 31 March 2019	**2,996.50**	**14.75**	**1,032.65**	**411.81**	**629.29**	**3,462.38**	**8,547.38**
Carrying amount							
Balance as at 31 March 2018	645.85	14.29	1,257.95	308.29	290.14	747.27	3,263.79
Balance as at 31 March 2019	**1,034.74**	**7.03**	**1,543.06**	**548.71**	**319.51**	**596.78**	**4,049.83**

4. Intangible assets

(₹ in lakhs)

	Computer (Software and Application)
Cost	
Balance as at 1 April 2017	1,599.96
Additions	1,437.38
Disposals	(110.58)
Balance as at 31 March 2018	2,926.76
Additions	498.56
Disposals	-
Balance as at 31 March 2019	**3,425.32**
Accumulated amortization	
Balance as at 1 April 2017	1,138.05
Additions	585.80
Disposals	(110.57)
Balance as at 31 March 2018	1,613.28
Amortisation Expense	340.12
Disposals	-
Balance as at 31 March 2019	**1,953.40**
Carrying amount	
Balance as at 31 March 2018	1,313.48
Balance as at 31 March 2019	**1,471.92**

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Notes forming part of the standalone financial statements

for the year ended 31 March 2019

5. **Investments**

(₹ in lakhs)

	As at 31 March 2019		As at 31 March 2018	
	Quantity (Shares/units)	Amount	Quantity (Shares/units)	Amount
A. **Non-current**				
Investment at cost				
In subsidiary fully paid equity shares – Unquoted				
Tata Communications Transformation Services Pte. Limited	170,000	110.66	170,000	110.66
Total (A)	**170,000**	**110.66**	**170,000**	**110.66**
B. **Current**				
Investments at fair value through profit or loss				
Mutual Funds (unquoted)	1,60,855.83	6,049.15	89,362.39	2,130.12
Total (B)		**6,049.15**		**2,130.12**
(A+B)		**6,159.81**		**2,240.78**

The market value of the current investments is equal to the carrying value.

6. **Other financial assets**

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
A. **Non-current**		
Security deposits – unsecured, considered good	73.48	29.04
Total (A)	**73.48**	**29.04**
B. **Current**		
a. Advances to contractors and vendors - unsecured, considered good	152.04	114.83
b. Fair value of foreign currency forward contracts	62.24	-
c. Others	1.56	-
Total (B)	**215.84**	**114.83**
(A+B)	**289.32**	**143.87**

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Notes forming part of the standalone financial statements

for the year ended 31 March 2019

7. **Deferred tax assets (net)**

Major components of deferred tax asset and liability consist of the following

(₹ in lakhs)

	As at 1 April 2018	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2019
Deferred tax assets in relation to:				
Difference between accounting and tax depreciation / amortization	505.37	43.25	-	548.62
Provision for doubtful trade receivables	43.30	14.05	-	57.35
Provision for Employee benefit obligations	592.98	(196.93)	(39.94)	356.11
Expenditure disallowed u/s. 40 (a) (ia)	1,062.51	(89.50)	-	973.01
Others	39.63	(50.91)	-	(11.28)
Deferred tax assets (net)	**2243.79**	**(280.04)**	**(39.94)**	**1,923.81**

(₹ 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
Others	2.33	37.30	-	39.63 (10.39)
Deferred tax assets (net)	**1,947.43**	**573.85**	**(277.49)**	**2,243.79**

8. **Income tax assets (Net)**

(₹in lakhs)

	As at 31 March 2019	As at 31 March 2018
Advance tax (net of provision for taxes) (refer (i) below)	9,104.01	5,375.60
Total	**9,104.01**	**5,375.60**

i. Advance tax includes amount paid under dispute of ₹ 335lakhs (2018: ₹ 335 lakhs).

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Notes forming part of the standalone financial statements

for the year ended 31 March 2019

9. Other assets

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
A.	**Non-current**		
a.	Capital advances – unsecured, considered good	3.30	11.31
b.	Prepaid expenses - unsecured, considered good	282.67	437.19
	Total (A)	**285.97**	**448.50**
B.	**Current**		
a.	Advances to employees		
	Unsecured, considered good	444.26	476.72
	Unsecured, considered doubtful	3.25	3.25
		447.51	479.97
	Less: allowance for doubtful advances	(3.25)	(3.25)
		444.26	476.72
b.	Indirect tax recoverable – considered good	1,359.65	500.94
c.	Advances to vendors - unsecured, considered good	8.71	67.01
d.	Prepaid expenses - unsecured, considered good	2,845.28	258.31
	Total (B)	**4,657.90**	**1,302.98**
	(A+B)	**4,943.87**	**1,751.48**

10. Trade receivables

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
	Unsecured (including unbilled receivables)		
a.	Considered good	53,426.08	44,695.49
b.	Considered doubtful	160.86	165.97
		53,586.94	**44,861.46**
	Less: Allowance for doubtful debt (expected credit loss allowance) (Refer note 35 (c))	(160.86)	(165.97)
	Total	**53,426.08**	**44,695.49**

11. Cash and cash equivalents

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Current accounts with banks	1,882.45	1,687.15
Total	**1,882.45**	**1,687.15**

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED * MUMBAI

Notes forming part of the standalone financial statements

for the year ended 31 March 2019

12. **Equity share capital**

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
a. **Authorised:**		
1,000,000 (2018: 1,000,000) Equity shares of ₹ 10 each	100.00	100.00
	100.00	100.00
b. **Issued, subscribed and paid up:**		
500,000 (2018: 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 2019		As at 31 March 2018	
	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 2019	As at 31 March 2018
a.	General reserve (Refer Note i below)	1,381.97	1,381.97
b.	Retained earnings	37,187.33	31,493.62
c.	Other comprehensive income (Refer Note ii below)	290.37	216.02
	Total	**38,859.67**	**33,091.61**

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).

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

14. **Provisions**

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
A.	**Non-current**		
	Provision for employee benefits (refer note 28)		
	a. Provision for gratuity	255.95	188.26
	b. Provision for compensated absences	1,011.69	1,098.64
	c. Provision for others (refer i below)	29.87	19.92
	Total (A)	**1,297.51**	**1,306.82**
B.	**Current**		
	Provision for compensated absences	238.75	243.27
	Total (B)	**238.75**	**243.27**
	(A+B)	**1,536.26**	**1,550.09**

i. Provision for others is towards end of service gratuity for the Company's Riyadh branch.

15. **Other liabilities**

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
A.	**Non-current**		
	Accrued employee benefits	345.25	323.23
	Total (A)	**345.25**	**323.23**
B.	**Current**		
a.	Deferred revenue (Refer note i below)	480.08	334.30
b.	Accrued payroll	4,747.43	6,728.79
c.	Statutory liabilities	713.57	696.72
d.	Other liabilities	0.10	0.19
	Total (B)	**5,941.18**	**7,760.00**
	(A+B)	**6,286.43**	**8,083.23**

i. Deferred revenue represents contract liabilities

16. **Trade and other payables**

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
A	Total outstanding dues of micro enterprises and small enterprises (Refer note 32)	368.82	294.05
	(I)	**368.82**	**294.05**
B	Total outstanding dues of creditors other than micro enterprises and small enterprises		
	i. Other creditors	23,150.07	14,032.44
	ii. Payable to related parties	12,714.79	5,694.80
	(II)	**35,864.86**	**19,727.24**
	Total (I+II)	**36,233.68**	**20,021.29**

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS TRANSFORMATION SERVICES LTD. MUMBAI

Notes forming part of the standalone financial statements

for the year ended 31 March 2019

17. Other financial liabilities

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
	Current		
a.	Capital goods		
	- Payable to related parties	37.76	13.45
	- Others	326.96	425.65
b.	Fair value of foreign currency forward contracts	-	43.82
c.	Other payables	63.54	11.48
	Total	**428.26**	**494.40**

18. Current tax liabilities (Net)

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Provision for tax	-	5.14
Total	**-**	**5.14**

19. Other income

(₹ in lakhs)

		Year ended 31 March 2019	Year ended 31 March 2018
a.	Interest income on financial asset carried at amortised cost	-	0.57
b.	Interest on income tax refund	-	182.30
c.	Gain on investments carried at fair value through profit and loss	247.81	158.88
d.	Foreign exchange gain/(loss) (net)	36.75	382.12
e.	Recovery of Bad debts	1,113.12	-
f.	Others	266.49	126.54
	Total	**1,664.17**	**850.41**

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED * MUMBAI

Notes forming part of the standalone financial statements

for the year ended 31 March 2019

20. **Operating and other expense**

(₹ in lakhs)

		Year ended 31 March 2019	Year ended 31 March 2018
a.	Light and power	714.09	676.03
b.	Repairs and maintenance:		
	i. Building	206.61	146.12
	iii. Plant and machinery	2,713.22	1,741.04
	iii. Others	187.31	326.24
c.	Allowance for doubtful trade receivables	(5.11)	(9.78)
d.	Allowance for doubtful advances	-	2.28
e.	Rent	2,028.24	1,743.87
f.	Network management and sub-contracting charges (Refer note i)	36,836.94	21,736.05
g.	Travelling expenses	2,482.21	2,314.95
h.	Local conveyance	813.83	1,497.05
i.	Telephone expenses	1,415.51	1,347.63
j.	Printing, postage and stationery	46.42	32.49
k.	Outsourced manpower cost	19,851.63	18,130.10
l.	Legal and professional charges	2,443.61	1,303.09
m	Brand equity and Business promotion expenses	256.73	243.55
n.	Advertising and publicity	831.55	647.35
o.	Recruitment expenses	168.02	193.07
p.	Security charges	217.36	217.13
q.	Corporate social responsibility (Refer Note ii)	223.30	189.78
r.	Other expenses	611.74	483.50
	Total	**72,043.21**	**52,961.54**

i. Network management and subcontracting charges includes cost of materials supplied for ₹ 3,509.37 lakhs (2018 – ₹ Nil)

ii 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 ₹ 223.30 lakhs (2018: ₹ 189.03 lakhs). The Company spent ₹ 223.30 lakhs (2018: ₹ 189.78 lakhs) during the year for the purpose of CSR activities mainly under promotion of education and employability including ₹ 63.88 lakhs (2018: ₹ 54.71 lakhs) on construction / acquisition of assets.

iii Other expenses include auditor's remuneration as follows: (excluding goods and service tax):

(₹ in lakhs)

		Year ended 31 March 2019	Year ended 31 March 2018
Auditors' remuneration and expenses			
a.	Audit fees	19.00	19.00
b.	Tax audit fees	3.00	3.00
c.	Other professional services	2.15	0.88

iv. Operating and other expenses includes an adjustment on account of liabilities no longer required written back, pertaining to prior years.

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Notes forming part of the standalone financial statements

for the year ended 31 March 2019

21. Employee benefits expenses

(₹ in lakhs)

		Year ended 31 March 2019	Year ended 31 March 2018
a.	Salaries and related costs	31,931.86	34,406.39
b.	Contributions to provident, gratuity and other funds (Refer note 28)	1,632.56	2,372.47
c.	Staff welfare expenses	2,384.25	2,916.68
	Total	**35,948.67**	**39,695.54**

22. Finance costs

(₹ in lakhs)

		Year ended 31 March 2019	Year ended 31 March 2018
a.	Interest on bank overdraft and loans	12.12	36.42
b.	Other interest	96.38	185.44
	Total	**108.50**	**221.86**

23. Depreciation and amortisation expense

(₹ in lakhs)

		Year ended 31 March 2019	Year ended 31 March 2018
a.	Depreciation for the year on property, plant and equipment (Refer note 3)	1,335.50	1,368.25
b.	Amortisation for the year on intangible assets (Refer note 4)	340.12	585.80
	Total	**1,675.62**	**1,954.05**

24. 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 has written back of ₹ (199.67) lakhs during the year (2018: incurred one-time charge of ₹ 1,787.53 lakhs) net of recoveries.

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED * MUMBAI

Notes forming part of the standalone financial statements

for the year ended 31 March 2019

25. **Income tax**

a. **Income tax recognised in statement of profit and loss**

(₹ in lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current tax		
In respect of current year	3,173.82	4,112.71
In respect of prior years	(297.60)	635.25
Total current tax (a)	**2,876.22**	**4,747.96**
Deferred tax		
In respect of the current year	(22.10)	92.75
In respect of prior years	302.15	(666.59)
Total deferred tax (b)	**280.05**	**(573.84)**
Total income tax (a+b)	**3,156.27**	**4,174.12**

b. **The Income tax expense for the year can be reconciled to the accounting profit as follows**

(₹ in lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit before tax	**8,849.98**	**12,005.55**
Income tax expense calculated at 34.944% tax rate (2018: 34.608% Tax rate)	3,092.54	4,154.88
Tax expense as per statement of profit and loss	3,156.27	4,174.12
Difference	**(63.72)**	**(19.24)**
Reasoning		
Effect of expenses / adjustments that are not deductible in determining taxable profit	(63.72)	(19.24)
Total	**(63.72)**	**(19.24)**
Income tax expense recognised in statement of profit and loss	**3,156.27**	**4,174.12**

c. **Income tax recognised in Other comprehensive income**

(₹ in lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Deferred tax		
Remeasurement of the defined benefit obligations	39.94	277.49
Total deferred tax	**39.94**	**277.49**
Bifurcation of income taxes recognized in other comprehensive income into		
Items that will not be reclassified to statement of profit and loss	39.94	277.49

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Notes forming part of the standalone financial statements

for the year ended 31 March 2019

26. 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 2019	Year ended 31 March 2018
India	73,757.62	63,062.40
United Kingdom	20,481.74	20,969.79
Canada	8,971.94	8,912.98
USA	896.77	3,681.62
Luxemburg	3,811.46	3,354.77
Others	8,842.61	7,794.10
	1,16,762.14	**1,07,775.66**

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 2019	% of total revenue	As at 31 March 2018	% of total revenue
Customer A	36,181.99	31%	28,133.62	26%
Customer B	24,198.03	21%	18,763.37	17%
Customer D	15,308.67	13%	-	-
Customer C	13,493.06	12%	13,811.56	13%

The Company's exposure to customers other than the four largest customers is diversified and no other single customer has more than 10% of outstanding accounts receivable as on 31 March 2019 and 31 March 2018.

27. Earnings per share

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Net Profit after tax attributable to the equity shareholders (A)	5,693.71	7,831.43
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)	1,138.74	1,566.29

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

28. **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 ₹ 1,156.77 lakhs (2018: ₹ 1,334.86 lakhs) lakhs have been charged to the Statement of Profit and Loss, under contributions to provident, gratuity and other funds in note 21 "Employee benefits".

"There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund dated February 28, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order.

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 2019 by an accredited actuary.

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Notes forming part of the standalone financial statements

for the year ended 31 March 2019

The principal assumptions used for the purposes of the actuarial valuations were as follows

	As at 31 March 2019	As at 31 March 2018
Principal actuarial assumptions		
Discount rate	7.30%	7.50%
Salary escalation rate	7.00%	7.00%
Withdrawal rate		
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

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
	Expenses recognised in the statement of profit and loss		
a.	Current service cost	346.42	406.82
b.	Past service cost	-	490.02
c.	Interest cost	7.66	28.45
	Components of defined benefit costs recognized in the statement of profit and loss	**354.08**	**925.29**
	Remeasurement on the net defined benefit liability		
a.	Return on plan assets (excluding amounts included in net interest expense)	(29.56)	(96.46)
b.	Actuarial (gains) / losses arising from DBO assumption changes	44.55	(596.91)
c.	Actuarial (gains) / losses arising from experience adjustments	(129.28)	(108.45)
	Components of defined benefit costs recognized in other comprehensive income	**(114.29)**	**(801.82)**

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Notes forming part of the standalone financial statements

for the year ended 31 March 2019

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 2019 (Funded)	As at 31 March 2018 (Funded)
I.	**Amount recognized in the balance sheet**		
	Liability at the end of the year	3,041.31	3,364.06
	Fair value of plan assets at the end of the period	2,785.36	3,175.80
	Net liability in the balance sheet	**255.95**	**188.26**
	Non-current provision (Refer note 14A)	255.95	188.26
II.	**Change in the Defined Benefit Obligation (DBO)**		
	Liability at the beginning of the period	3364.06	3,680.09
	Current service cost	346.42	406.82
	Past service cost	-	490.01
	Interest cost	222.06	244.90
	Transfer in/(out)	(171.60)	(194.60)
	Actuarial (gain) / loss on financial assumption	44.55	(596.91)
	Actuarial (gain) / loss on experience assumption	(129.28)	(108.45)
	Benefits paid	(634.90)	(557.80)
	Liability at the end of the period	**3,041.31**	**3,364.06**
III.	**Change in fair value of assets**		
	Opening fair value of plan assets	3,175.80	3,149.40
	Transfer in/ (out)	(171.60)	(194.60)
	Expected return on plan assets	214.40	216.44
	Employer's contribution	172.10	465.90
	Actuarial gain / (loss)	29.56	96.46
	Benefits paid	(634.90)	(557.80)
	Closing fair value of plan assets	**2,785.36**	**3,175.80**

Major categories of plan assets are as follows

		As at 31 March 2019	As at 31 March 2018
a.	Government of India securities (central and state)	41.92%	42.89%
b.	High quality corporate bonds (including public sector bonds)	23.02%	24.70%
c.	Equity shares of listed companies	19.15%	19.00%
d.	Cash (including special deposits)	9.90%	10.21%
f.	Other (including assets under schemes of insurance)	6.01%	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 2019 and 31 March 2018 is as shown below

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

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 2019**	As at 31 March 2018
Effect on DBO due to 1% increase	(211.36)	(231.78)
Effect on DBO due to 1% decrease	241.94	265.07

b. **Salary escalation rate**

(₹in lakhs)

Particulars	**As at 31 March 2019**	As at 31 March 2018
Effect on DBO due to 1% increase	213.02	230.63
Effect on DBO due to 1% decrease	(194.73)	(210.41)

c. **Withdrawal rate**

(₹in lakhs)

Particulars	**As at 31 March 2019**	As at 31 March 2018
Effect on DBO due to 5% increase	23.23	45.44
Effect on DBO due to 5% decrease	(56.16)	(95.16)

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 2019
a.	March 31, 2020	312.23
b.	March 31, 2021	326.23
c.	March 31, 2022	337.18
d.	March 31, 2023	436.93
e.	March 31, 2024	393.60
f.	March 31, 2025 to March 31, 2029	2,199.01

There has been no change in the process used by the company to manage its risks from prior years.

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

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 ₹ 1,250.44 lakhs (2018: ₹ 1,341.91 lakhs) as shown under non-current provisions ₹ 1,011.69 lakhs (2018: ₹ 1,098.64 lakhs) and current provisions ₹ 238.75 lakhs (2018: ₹ 243.27 lakhs). The amount charged to the Statement of Profit and Loss under Salaries and related costs in note 21 "Employee benefits expense" is ₹ (282.11) lakhs (2018: ₹ (477.39) lakhs)

29. **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	Controlling party and its affiliates *	Tata Sons Limited Tata Consultancy Services Limited Tata Teleservices Limited Tata Teleservices Maharashtra Limited Tata Sky Limited Tata Sky Broadband Private Limited Tata Asset Management Limited Tata projects Ltd (w.e.f. 28 May 2018) Lokmanya Hospitals Private Limited (w.e.f. 28 May 2018) Tata AIG General Insurance Company Limited Sir Dorabji Tata trust (w.e.f. 28 May 2018) Tata Capital Financial Services Limited TVS Logistics Services Limited (w.e.f. 28 May 2018) Tata Elxsi Limited (w.e.f. 28 May 2018) The Indian Hotels Company Ltd (w.e.f. 28 May 2018) Conneqt Business Solutions Limited (formerly 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 Tata Communications (Ireland) Limited Tata Communications (Poland) SPZoo

Notes forming part of the standalone financial statements

for the year ended 31 March 2019

		Tata Communications (Spain) SL Tata Communication (NZ) Ltd. 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
G	Key managerial Personnel	Madhusudhan MR (Managing Director)

**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.

*** On May 28, 2018, Tata Sons Limited ('TSL') and its wholly owned subsidiary, Panatone Finvest Limited ('Panatone'), increased their combined stake in the Holding Company to 48.90% there by gaining de-facto control as per Ind-AS. Accordingly, the Holding Company has classified TSL and Panatone as "Controlling Entities" and hence, the Company has disclosed TSL, its subsidiaries, joint ventures and associates as the 'Controlling party and its affiliates', effective this date. The Company had disclosed TSL, its subsidiaries and its joint ventures as 'Controlling party and its affiliates' in the previous year.*

ii. **Summary of transactions and balances with related parties**

(₹ in lakhs)

Particulars	Holding company & its associates	Controlling party and its affiliates	Subsidiaries (Direct and Indirect)	Fellow subsidiaries	Key management Personnel	Total
Revenue from operations	**14,015.12** *14,247.79*	**41,423.43** *29,755.03*		**683.85** *2,256.42*		**56,122.40** *46,259.24*
Miscellaneous income	**39.07** *31.62*		**9.54** -	**32.24** *7.79*		**80.85** *39.41*
Rent	**1,716.68** *1,528.76*	**10.07** -				**1,726.75** *1,528.76*
Telephone expenses	**904.55** *680.33*	**120.01** *18.00*		**29.77** *15.62*		**1,054.33** *713.95*
Brand Equity and Business Promotion expenses		**256.73** *229.26*				**256.73** *229.26*
Outsourced manpower cost	**1,768.02** *343.77*	**18.84** -		**3,713.86** *4,179.23*		**5,500.72** *4,523.00*

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Notes forming part of the standalone financial statements

for the year ended 31 March 2019

Particulars	Holding company & its associates	Controlling party and its affiliates	Subsidiaries (Direct and Indirect)	Fellow subsidiaries	Key management Personnel	Total
Insurance		**2.02** *2.82*				**2.02** *2.82*
Car Lease Rentals		**38.37** *80.46*				**38.37** *80.46*
Repairs & maintenance		**104.07** -				**104.07** -
Others		**38.32** -				**38.32** -
Investment in Subsidiary			- *76.91*			- *76.91*
Assets – Transfer in / (Out)	**0.23** *0.09*	**24.30** -				**24.53** *0.09*
Purchase of current Investment		**3,400.00** -				**3,400.00** -
Redemption of current Investments		**3,406.16** -				**3,406.16** -
Key Managerial Remuneration					**449.39** *470.04*	**449.39** *470.04*
Trade Receivables	**9,162.80** *4,227.14*	**20,884.09** *10,839.12*	**15.88** *4.76*	**9.97** *980.48*		**30,072.74** *16,051.50*
Other assets		**3.44** *0.43*				**3.44** *0.43*
Other financial assets – non-current		**0.50** *0.50*				**0.50** *0.50*
Trade Payables	**8,879.36** *3,269.10*	**343.02** *270.06*	- *21.28*	**3,492.41** *2,134.36*		**12,714.79** *5,694.80*
Other current Liabilities	**69.94** -			**2.29** -		**72.23** -
Other financial Liabilities		**37.76** *13.45*				**37.76** *13.45*

 # Amount in italics denote previous year figures.

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

30. **Operating lease arrangements**

As lessee

Operating lease payments represent rentals payable by the Company for the premises taken on lease.

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Minimum lease payments under operating non-cancellable leases recognized as expense in the year	1,110.28	1,146.91

At the balance sheet date, minimum lease payments under operating non-cancellable leases fall due as follows

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Due not later than one year	1,260.97	1,122.64
Due later than one year but not later than five years	2,341.52	2,238.62
Total	**3,602.49**	**3,361.26**

31. **Contingent liabilities and commitments**

I. Contingent liabilities

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Claims against the Company not acknowledged as debt		
- Claims for taxes on income (Refer i)	548.36	1,006.40
- Others (Refer ii)	4,106.00	-

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.

ii. Other claim pertains to claim from a service provide. Based on legal advice, the Company believes this claim 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 ₹ 151.27 lakhs (2018: ₹ 854.39 lakhs).

ii. **Other commitments**
As on 31 March 2019 and 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).

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Notes forming part of the standalone financial statements

for the year ended 31 March 2019

32. **Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
a. Principal amount remaining unpaid to any supplier as at the end of the accounting year	360.09	292.75
b. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	8.73	1.30
c. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	3,689.55	-
d. The amount of interest due and payable for the year	8.73	1.30
e. The amount of interest accrued and remaining unpaid at the end of the accounting year	8.73	1.30
f. The amount of further interest due and payable even in the succeeding year, until such date when the intrests dues as above are actually paid	-	-
g. Total outstanding dues of micro and small enterprises	368.82	294.05

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.

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 2019		As at 31 March 2018	
	(Amount in Foreign Currency)	(Amount in INR)	(Amount in Foreign Currency)	(Amount in INR)
i. Forward exchange contracts (Sell)				
CAD	11.33	597.13	25.90	1,315.48
EUR	3.50	281.52	6.05	492.23
GBP	32.05	3,003.10	46.30	4,290.58
ZAR	71.33	339.42	369.90	1,990.43
ii. Forward exchange contracts (Buy)				
USD	15.00	1,089.31	-	-

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

MUMBAI

Notes forming part of the standalone financial statements

for the year ended 31 March 2019

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 2019 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)	6,049.15	-	-	6,049.15
Other financial assets	-	62.24	227.08	289.32
Trade receivables	-	-	53,426.08	53,426.08
Cash and Cash equivalents	-	-	1,882.45	1,882.45
Total	**6,049.15**	**62.24**	**55,535.61**	**61,647.00**
Financials Liabilities:				
Other financial liabilities	-	-	428.26	428.26
Trade payables	-	-	36,233.68	36,233.68
Total	**-**	**-**	**36,661.94**	**36,661.94**

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**

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payables as at 31 March 2019 and 31 March 2018 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.

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED * MUMBAI

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)

(₹ in lakhs)

Financial assets	Fair value as at		Fair value hierarchy
	31 March 2019	31 March 2018	
Financial Assets			
Investment in mutual funds	6,049.15	2,130.12	Level 1
Foreign exchange forward contracts	62.24	-	Level 2
Financial Liabilities			
Foreign exchange forward contracts	-	43.82	Level 2

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:

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

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.

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.

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 2019 and 31 March 2018.

(₹ in lakhs)

	As at 31 March 2019		As at 31 March 2018	
Currency	**Financial liabilities**	**Financial Assets**	Financial liabilities	Financial Assets
Omani Riyal	-	28.35	-	5,870.91
CAD	-	1,622.09	-	1,287.07
GBP	1,727.37	-	-	3,572.49
EUR	-	855.38	-	691.27
USD	1,370.82	-	-	141.47
Others	612.78	11.94	28.91	283.78

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 ₹ 59.66 lakhs and ₹ 590.89 lakhs for the year ended 31 March 2019 and 31 March 2018 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.

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

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 2019	As at 31 March 2018
Within credit period	28,130.73	16,748.72
01-90 days	20,504.08	22,633.75
91-180 days	3,853.83	3,095.00
181-360 days	295.45	2,029.76
More than 360 days	641.99	188.26
Total	**53,426.08**	**44,695.49**

Movement in the expected credit loss allowance

(₹ in lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Balance at beginning of the year	165.97	175.75
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses (net)	(5.11)	(9.78)
Balance at the end of the year	**160.86**	**165.97**

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 2019	On demand	0 to 12 months	1 to 5 years	>5 years	Total
Trade and other payables	15,714.70	20,582.51	-	-	36,297.21
Capital creditors	301.98	62.75	-	-	364.73

(₹ 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

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Notes forming part of the standalone financial statements

for the year ended 31 March 2019

36. **Events after the reporting period**

There are no subsequent events between the year ended 31 March 2019 and signing of financial statements as on 30 April 2019 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 30 April 2019.

38. Previous year's figures have been regrouped/ re-arranged where necessary to confirm to current year's classification / disclosure.

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: **30 April 2019**

Place: **Mumbai**
Date: **30 April 2019**

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT
To the Members of Tata Communications Transformation Services Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Tata Communications Transformation Services Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us [and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended (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 consolidated state of affairs of the Group, as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's and the Management report, but does not include the Consolidated Ind AS financial statements and our auditor's report thereon. The Director's and Management report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

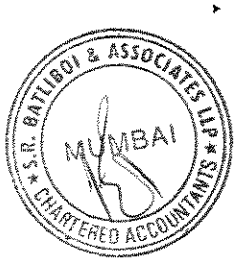
Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such 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 ability of the Group 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 consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

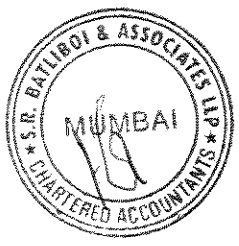
As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated 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 the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company and its subsidiaries, to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements - Refer Note 33 to the consolidated Ind AS financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, during the year ended March 31, 2019.

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: April 30, 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED

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 and its subsidiaries (hereinafter referred to as the 'Group') as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Group 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

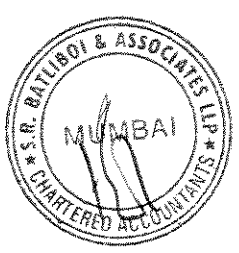
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on 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.

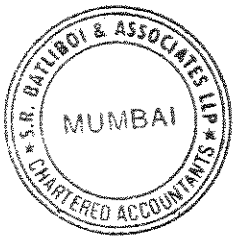
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, 2019, 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: April 30, 2019

Tata Communications Transformation Services Limited

Consolidated Balance Sheet as at 31 March 2019

	Particulars	Notes	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
A	**ASSETS**			
(1)	**Non-current assets**			
(a)	Property, plant and equipment	3	4,049.83	3,263.79
(b)	Capital work-in-progress		124.12	579.93
(c)	Intangible assets	4	1,471.92	1,313.48
(d)	Intangible assets under development		66.40	0.40
(e)	Financial assets			
	(i) Other financial assets	5A	73.48	29.04
(f)	Deferred tax assets (net)	6	1,923.81	2,243.79
(g)	Income tax assets (net)	7	9,103.99	5,375.60
(h)	Other assets	8A	285.97	448.50
	Total non-current assets		**17,099.52**	**13,254.53**
(2)	**Current assets**			
(a)	Financial assets			
	(i) Investments	9	6,049.15	2,130.12
	(ii) Trade receivables	10	53,832.39	44,805.84
	(iii) Cash and cash equivalents	11	2,263.28	1,809.41
	(iv) Other financial assets	5B	245.18	126.99
(b)	Other assets	8B	4,686.23	1,309.99
	Total current assets		**67,076.23**	**50,182.35**
	Total assets		**84,175.75**	**63,436.88**
B	**EQUITY AND LIABILITIES**			
I	**Equity**			
(a)	Equity share capital	12	50.00	50.00
(b)	Other equity	13	38,682.01	33,130.52
	Total equity		**38,732.01**	**33,180.52**
II	**Liabilities**			
(1)	**Non-current liabilities**			
(a)	Provisions	14A	1,297.51	1,306.82
(b)	Other liabilities	15A	345.25	323.23
	Total non-current liabilities		**1,642.76**	**1,630.05**
(2)	**Current liabilities**			
(a)	Financial Liabilities			
	(i) Borrowings	16	-	2.39
	(ii) Trade and other payables	17	37,125.12	20,104.42
	(iii) Other financial liabilities	18	428.26	494.40
(b)	Provisions	14B	238.75	243.27
(c)	Current Tax liabilities (net)	19	-	5.14
(d)	Other liabilities	15B	6,008.85	7,776.69
	Total current liabilities		**43,800.98**	**28,626.31**
	Total equity and liabilities		**84,175.75**	**63,436.88**

See accompanying notes forming part of the consolidated 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

Place : **Mumbai**
Dated: **30 April 2019**

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: **30 April 2019**

Tata Communications Transformation Services Limited

Consolidated Statement of Profit and Loss for the year ended 31 March 2019

	Particulars	Notes	Year ended 31 March 2019 ₹ in Lakhs	Year ended 31 March 2018 ₹ in Lakhs
I	Revenue from operations		1,17,699.03	1,08,003.47
			1,17,699.03	1,08,003.47
II	Other Income	20	1,650.67	850.65
III	**Total Income (I + II)**		**1,19,349.70**	**1,08,854.12**
IV	**Expenses:**			
	Operating and other expense	21	73,174.81	53,137.21
	Employee benefits expense	22	35,948.67	39,695.54
	Finance costs	23	108.51	221.86
	Depreciation and amortisation expense	24	1,675.62	1,954.05
	Total Expenses		**1,10,907.61**	**95,008.66**
V	**Profit before exceptional items and tax (III - IV)**		**8,442.09**	**13,845.46**
VI	Exceptional gain/(loss)	25	199.67	(1,787.53)
VII	**Profit before tax (V + VI)**		**8,641.76**	**12,057.93**
VIII	**Tax expense**			
	(a) Current tax		2,883.84	4,747.96
	(b) Deferred tax	26	280.05	(573.84)
IX	**Profit for the year (VII - VIII)**		**5,477.87**	**7,883.81**
X	**Other comprehensive income/(loss)**			
	Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans		114.29	801.82
	(ii) Tax on above		(39.94)	(277.49)
	Other comprehensive income/(loss) for the year, net of tax		**74.35**	**524.33**
XI	**Total comprehensive income for the year, net of tax (IX + X)**		**5,552.22**	**8,408.14**
	Basic/Diluted Earnings per share (of ₹ 10 each)	29	1,095.57	1,576.76

See accompanying notes forming part of the consolidated 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

Place : **Mumbai**
Dated: **30 April 2019**

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: **30 April 2019**

Tata Communications Transformation Services Limited
Consolidated Cash Flow Statement for the year ended 31 March 2019

Particulars	Year Ended 31 March 2019 ₹ in Lakhs	Year Ended 31 March 2018 ₹ in Lakhs
Cash Flows from operating activities		
Profit before tax	8,641.76	12,057.93
Adjustments for :		
Depreciation and amortisation expense	1,675.62	1,954.05
Finance costs	108.51	221.86
Loss on sale of/write off assets	(2.01)	-
Exchange fluctuation on foreign exchange	188.59	1,657.00
Interest income on financial asset carried at amortised cost	(0.33)	(0.80)
Gain on investments carried at fair value through profit and loss	(247.81)	(158.88)
Interest on income tax refund	-	(182.30)
Allowance for doubtful advances	-	2.28
Allowance of doubtful trade receivables	(5.11)	(9.78)
Operating profit before working capital changes	**10,359.22**	**15,541.36**
Changes in working capital		
Adjustment for (increase) / decrease in operating assets:		
Trade receivables	(9,021.42)	5,783.22
Other assets	(3,362.73)	(768.70)
Adjustment for increase / (decrease) in operating liabilities:		
Trade and other payables	17,020.70	(4,383.86)
Provisions	3.34	(1,303.77)
Other liabilities	(1,736.11)	1,856.47
Cash generated from operations	**13,263.00**	**16,724.72**
Income tax paid (net)	(6,617.37)	(5,281.83)
Net cash flow generated from operating activities	**6,645.63**	**11,442.89**
Cash Flow from Investing activities		
Payments for purchase of property, plant & equipment and intangibles	(2,320.27)	(2,191.25)
Proceeds from disposal of property, plant and equipment and intangibles	2.53	10.41
Interest received	0.33	0.80
Purchase of current investments	(61,150.00)	(47,900.00)
Sale of current investments	57,478.77	45,928.76
Net cash used in investing activities	**(5,988.64)**	**(4,151.28)**
Cash flow from financing activities		
Repayment from current borrowings	(158.43)	(6,231.59)
Interest paid	(12.13)	(41.20)
Net cash flow generated used in financing activities	**(170.56)**	**(6,272.79)**
Net increase in cash and cash equivalents	**486.43**	**1,018.82**
Cash and cash equivalents as at beginning of the year	1,809.41	808.48
Effect of exchange difference on cash and cash equivalents	(32.56)	(17.89)
Cash and cash equivalents as at end of the year	**2,263.28**	**1,809.41**

See accompanying notes forming part of the consolidated 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

Place : **Mumbai**
Dated: **30 April 2019**

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: 30 April 2019

Tata Communications Transformation Services Limited
Consolidated Statement of changes in equity

Equity share capital

(₹ in Lakhs)

	No. of Shares	Amount
Balance as at 1 April 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
Changes in equity share capital during the year	-	-
Balance as at 31 March 2019	**5,00,000**	**50.00**

Other equity

(₹ in Lakhs)

Particulars	General reserve	Retained earnings	Foreign currency translation reserve	Other Comprehensive Income	Total
Balance as at 1 April 2017	1,381.97	23,642.85	(1.06)	(308.31)	24,715.45
Net profit for the year		7,883.81			7,883.81
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)
Foreign exchange translation Reserve			6.93	-	6.93
Total comprehensive income/(loss) for the year	-	7,883.81	6.93	524.33	8,415.07
Balance as at 31 March 2018	1,381.97	31,526.66	5.87	216.02	33,130.52
Net profit for the year		5,477.87			5,477.87
Other comprehensive income/(loss) for the year				114.29	114.29
Tax impact in other comprehensive income/(loss) for the year				(39.94)	(39.94)
Foreign exchange translation Reserve			(0.73)	-	(0.73)
Total comprehensive income/(loss) for the year	-	5,477.87	(0.73)	74.35	5,551.49
Balance as at 31 March 2019	**1,381.97**	**37,004.53**	**5.14**	**290.37**	**38,682.01**

See accompanying notes forming part of the consolidated 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

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

For and on behalf of the Board of Directors

Madhusudhan M R
Managing Director

Aadesh Goyal
Director

Umasree Kotamraju
Chief Financial Officer

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Place : **Mumbai**
Dated: **30 April 2019**

Place : **Mumbai**
Dated: **30 April 2019**

TATA Communications Transformation Services Limited

Notes forming part of the consolidated financial statements

for the year ended 31 March 2019

1. **Corporate Information**

TATA Communications Transformation Services Limited (the 'Company'), was incorporated on 6 October 2006 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 has branches in United Kingdom and Saudi Arabia.

Tata Communications Transformation Services Limited and its subsidiaries (collectively "the Group") engages in the business of providing telecommunication network management and support services.

2. **Significant Accounting Policies**

*a. **Statement of compliance***

These consolidated 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 consolidated financial statements***

The consolidated 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(r))

The consolidated financial statements are presented in Indian Rupees (INR), and all values are rounded to the nearest lakh (INR 00,000), except when otherwise indicated.

During the year, the Company incorporated subsidiaries to expand its business operations as a result the Groups first consolidated financial statements have been drawn as at 31 March 2017. Comparative information presented in these financial statements relate to the standalone financial statements.

*c. **Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

i. has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
ii. is exposed or has rights, to variable returns from its involvement with the investee, and
iii. has the ability to use its power over the investee to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group obtains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

i. Derecognises the assets and liabilities of the subsidiary
ii. Derecognises the carrying amount of any non-controlling interests
iii. Derecognises the cumulative translation differences recorded in equity
iv. Recognises the fair value of the consideration received
v. Recognises any surplus or deficit in profit or loss
vi. Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed off the related assets or liabilities.

*d. **Significant accounting estimates and assumptions***

The preparation of the Group'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 Group based its assumptions and estimates on parameters available when the consolidated 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 Group. 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 assets

The Group 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 Group 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 Group 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 consolidated financial statements.

Provisions and contingent liabilities are reviewed at each balance sheet date.

e. ***Current versus non-current classification***

The Group 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

f.

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

g. ***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.

h. ***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, on disposal. Losses arising from disposal of property, plant and equipment are recognised in the Consolidated Statement of Profit and Loss in the year of occurrence.

i. ***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 Group 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 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. 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 Consolidated Statement of Profit and Loss when the asset is derecognised.

j. ***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 Consolidated 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 Consolidated Statement of Profit and Loss, to the extent the amount was previously charged to the Consolidated 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 Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the Group 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.

k. 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 Group 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 Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group'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 Consolidated 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.

l. 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 Consolidated Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Consolidated 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 Group 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 Consolidated Statement of Profit and Loss.

The net interest expense or income is recognised as part of finance cost in the Consolidated 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.

m. ***Revenue recognition***

Revenue is recognised upon transfer of control of promised products or services to the customers. As per the terms of the contract with the customers and accordingly the performance obligations are determined and transactions prices are allocated. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the 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.

The group derives its revenues from telecommunication network management consulting, supply of equipment's and other support services. Revenues from the said services are derived from unit-priced contracts. The consideration due to the group is based on the performance of these services. Revenue is recognised as the related services are performed, in accordance with the specific terms of the contract with the customers.

The group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Accounting treatment of assets and liabilities arising in course of sale of goods and services is set out below:

Trade receivables
A receivable represents the group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

I. Contract assets
Contract asset is recorded when revenue is recognized in advance of group's right to bill and receive the consideration (i.e. we must perform additional services or complete a milestone of performance obligation in order to bill and receive the consideration as per the contract terms).

II. Contract liabilities
Contract liabilities represent consideration, received from customers in advance for providing the goods and services promised in the contract. The revenue recognition of the same is deferred until the related performance obligation as per the contract with the customer is satisfied.

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

n. ***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 Consolidated Statement of Profit and Loss.

o. ***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 Consolidated Statement of Profit and Loss (either in Other comprehensive income or in equity) is recognised outside the Consolidated 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 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 Consolidated Statement of Profit and Loss is recognised outside the Consolidated 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.

p. ***Fair value measurement***

The Group 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 Group.

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

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 Group 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 consolidated 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 Group 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 Group 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.

q. ***Foreign currencies***

The Group's financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. For each entity the Group determines the functional currency and items included in the consolidated financial statements of each entity are measured using that 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 Consolidated Statement of Profit and Loss.

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

r. ***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.

s. ***Financial instruments***

Financial assets and liabilities are recognised when the Group 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 Group's balance sheet) when

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

b. The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group 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 Group 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 Group could be required to repay.

v. **Impairment of financial assets**
The Group 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

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

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 Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables

Under the simplified approach, the Group 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 Group 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.

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 Consolidated 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 Group 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.

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

t. ***Changes in accounting policies and disclosures***

New and amended standards

The group has applied Ind AS 115 for the first time.

Several other amendments and interpretations apply for the first time in March 2019, but do not have any impact on the financial statements of the group. The group has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers
Ind AS 115 was notified on 28 March 2018 and it supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue. The same is applicable with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be 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.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The group adopted Ind AS 115 using the modified retrospective method of adoption. There was no impact on the group due to application of Ind AS 115.

u. ***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 group has not applied as they are effective for annual periods beginning on or after April 1, 2018

i. **Ind AS 116 – Leases**
Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from 1 April 2019. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

ii. **Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement**
The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

Notes forming part of the consolidated financial statements

for the year ended 31 March 2019

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 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
Additions	731.97	-	580.59	301.85	117.17	390.48	2,122.06
Disposals	-	-	(10.47)	-	-	-	(10.47)
Balance as at 31 March 2019	**4,031.24**	**21.78**	**2,575.71**	**960.52**	**948.80**	**4,059.16**	**12,597.21**
Accumulated depreciation							
Balance as at 1 April 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
Depreciation	343.08	7.26	294.96	61.43	87.80	540.97	1,335.50
Disposals	-	-	(9.95)	-	-	-	(9.95)
Balance as at 31 March 2019	**2,996.50**	**14.75**	**1,032.65**	**411.81**	**629.29**	**3,462.38**	**8,547.38**
Carrying amount							
Balance as at 31 March 2018	645.85	14.29	1,257.95	308.29	290.14	747.27	3,263.79
Balance as at 31 March 2019	**1,034.74**	**7.03**	**1,543.06**	**548.71**	**319.51**	**596.78**	**4,049.83**

4. Intangible assets

(₹ in lakhs)

	Computer (Software and application)
Cost	
Balance as at 1 April 2017	1,599.96
Additions	1,437.38
Disposals	(110.58)
Balance as at 31 March 2018	**2,926.76**
Additions	498.56
Disposals	-
Balance as at 31 March 2019	**3,425.32**
Accumulated amortization	
Balance as at 1 April 2017	1,138.05
Additions	585.80
Disposals	(110.57)
Balance as at 31 March 2018	**1,613.28**
Amortisation Expense	340.12
Disposals	-
Balance as at 31 March 2019	**1,953.40**
Carrying amount	
Balance as at 31 March 2018	1,313.48
Balance as at 31 March 2019	**1,471.92**

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Notes forming part of the consolidated financial statements

for the year ended 31 March 2019

5. Other financial assets

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
A.	**Non-current**		
	Security deposits – unsecured, considered good	73.48	29.04
	Total (A)	**73.48**	**29.04**
B.	**Current**		
a.	Advances to contractors and vendors - unsecured, considered good	176.62	126.84
b.	Fair value of foreign currency forward contracts	62.24	-
c.	Others	6.32	0.15
	Total (B)	**245.18**	**126.99**
	(A+B)	**318.66**	**156.03**

6. Deferred tax assets (net)

Major components of deferred tax asset and liability consist of the following

(₹ in lakhs)

	As at 1 April 2018	Recognised in consolidated statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2019
Deferred tax assets in relation to:				
Difference between accounting and tax depreciation / amortization	505.37	43.25	-	548.62
Provision for doubtful trade receivables	43.30	14.05	-	57.35
Provision for employee benefit obligations	592.98	(196.93)	(39.94)	356.11
Expenditure disallowed u/s. 40 (a) (ia)	1,062.51	(89.50)	-	973.01
Others	39.63	(50.91)	-	(11.28)
Deferred tax assets (net)	**2,243.79**	**(280.04)**	**(39.94)**	**1,923.81**

(₹ in lakhs)

	As at 1 April 2017	Recognised in consolidated 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
Others	2.33	37.30	-	39.63
Deferred tax assets (net)	**1,947.43**	**573.85**	**(277.49)**	**2,243.79**

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Notes forming part of the consolidated financial statements

for the year ended 31 March 2019

7. **Income tax assets (net)**

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Advance tax (net of provision for taxes) (refer (i) below)	9,103.99	5,375.60
Total	**9,103.99**	**5,375.60**

i. Advance tax includes amount paid under dispute ₹ 335 lakhs (2018: ₹ 335 lakhs).

8. **Other assets**

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
	Unsecured		
A.	**Non-current**		
a.	Capital advances – unsecured, considered good	3.30	11.31
b.	Prepaid expenses – unsecured, considered good	282.67	437.19
	Total (A)	**285.97**	**448.50**
B.	**Current**		
a.	Advances to employees		
	Unsecured, considered good	444.59	478.73
	Unsecured, considered doubtful	3.25	3.25
		447.84	481.98
	Less: allowance for doubtful advances	(3.25)	(3.25)
		444.59	478.73
b.	Indirect tax recoverable – considered good	1,376.13	501.35
c.	Advances to vendors – unsecured, considered good	10.71	67.01
d.	Prepaid expenses – unsecured, considered good	2,854.80	262.90
	Total (B)	**4,686.23**	**1,309.99**
	(A+B)	**4,972.20**	**1,758.49**

9. **Investments**

(₹ in lakhs)

	As at 31 March 2019		As at 31 March 2018	
	Quantity (Shares/units)	Amount	Quantity (Shares/units)	Amount
Current				
Investments at fair value through profit or loss				
Mutual Funds (unquoted)	1,60,855.83	6,049.15	89,362.39	2,130.12
Total		**6,049.15**		**2,130.12**

The market value of the current investments is equal to the carrying value.

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Notes forming part of the consolidated financial statements

for the year ended 31 March 2019

10. **Trade receivables**

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
	Unsecured (including unbilled receivables)		
a.	Considered good	53,832.39	44,805.84
b.	Doubtful debts	160.86	165.97
		53,993.25	**44,971.81**
	Less: Allowance for doubtful debt (expected credit loss allowance) (Refer note 36 (c))	(160.86)	(165.97)
	Total	**53,832.39**	**44,805.84**

11. **Cash and cash equivalents**

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
a.	Current accounts with banks	2,263.28	1,809.41
	Total	**2,263.28**	**1,809.41**

12. **Equity share capital**

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
a.	**Authorised:**		
	1,000,000 (2018: 1,000,000) Equity shares of ₹ 10 each	100.00	100.00
		100.00	**100.00**
b.	**Issued, subscribed and paid up:**		
	500,000 (2018: 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 2019		As at 31 March 2018	
	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

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Notes forming part of the consolidated financial statements

for the year ended 31 March 2019

13. **Other equity**

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
a.	General reserve (Refer Note i below)	1,381.97	1,381.97
b.	Retained earnings	37,004.53	31,526.66
c.	Other comprehensive income (Refer Note ii below)	290.37	216.02
d.	Foreign currency translation reserve (Refer Note iii below)	5.14	5.87
	Total	**38.682.01**	**33,130.52**

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).

iii. **Foreign currency translation reserve**

Exchange difference relating to the translation of the result and net asset of the Group's foreign operation from their functional currencies to the Group's presentation currency are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating the net assets of foreign operations) are reclassified to profit or loss on disposal of the foreign operation

14. **Provisions**

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
A.	**Non-current**		
	Provision for employee benefits (refer note 30)		
	a. Provision for gratuity	255.95	188.26
	b. Provision for compensated absences	1,011.69	1,098.64
	c. Provision for others (refer note i below)	29.87	19.92
	Total (A)	**1,297.51**	**1,306.82**
B.	**Current**		
	Provision for compensated absences	238.75	243.27
	Total (B)	**238.75**	**243.27**
	(A+B)	**1,536.26**	**1,550.09**

i. Provision for others is towards end of service gratuity for the Company's Riyadh branch.

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Notes forming part of the consolidated financial statements

for the year ended 31 March 2019

15. Other liabilities

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
A.	**Non-current**		
	Accrued employee benefits	345.25	323.23
	Total (A)	**345.25**	323.23
B.	**Current**		
a.	Deferred revenue (Refer note i below)	480.08	334.30
b.	Accrued payroll	4,767.61	6,745.41
c.	Statutory liabilities	759.35	696.72
d.	Other liabilities	1.81	0.26
	Total (B)	**6,008.85**	**7,776.69**
	(A+B)	**6,354.10**	**8,099.92**

i. Deferred revenue represents contract liabilities.

16. Borrowings

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Unsecured		
Loans repayable on demand (from banks)		
a. Bank overdraft (Rate of interest per annum: 2019: Nil; 2018 : 8.90% to 10.80%)	-	2.39
Total	**-**	**2.39**

17. Trade and other payables

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
a.	Trade payables	23,630.52	14,430.25
b.	Payable to related parties	13,494.60	5,674.17
	Total	**37,125.12**	**20,104.42**

Notes forming part of the consolidated financial statements

for the year ended 31 March 2019

18. Other financial liabilities

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
	Current		
a.	Capital goods		
	- Payable to related parties	37.76	13.45
	- Others	326.96	425.66
b.	Fair value of foreign currency forward contracts	-	43.82
b.	Other payables	63.54	11.47
	Total	**428.26**	**494.40**

19. Current tax liabilities (net)

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Provision for tax	-	5.14
Total	**-**	**5.14**

20. Other income

(₹ in lakhs)

		Year ended 31 March 2019	Year ended 31 March 2018
a.	Interest income on financial asset carried at amortised cost	0.33	0.80
b.	Interest on income tax refund	-	182.30
c.	Gain on investments carried at fair value through profit and loss	247.81	158.88
d.	Foreign exchange gain/(loss) (net)	32.46	382.13
e.	Recovery of Bad debts	1,113.12	-
f.	Others	256.95	126.54
	Total	**1,650.67**	**850.65**

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Notes forming part of the consolidated financial statements

for the year ended 31 March 2019

21. **Operating and other expense**

(₹ in lakhs)

		Year ended 31 March 2019	Year ended 31 March 2018
a.	Light and power	714.09	676.03
b.	Repairs and maintenance		
	i. Building	206.86	146.12
	ii. Plant and machinery	2,713.47	1,741.04
	iii. Others	187.31	326.24
c.	Allowance for doubtful trade receivables	(5.11)	(9.78)
d.	Allowance for doubtful advances	-	2.28
e.	Rent	2,083.16	1,745.29
f.	Network management and sub-contracting charges (Refer note i)	36,837.20	21,736.05
g.	Travelling expenses	2,511.22	2,319.66
h.	Local conveyance	817.16	1,497.05
i.	Telephone expenses	1,420.26	1,347.63
j.	Printing, postage and stationery	51.35	32.49
k.	Outsourced manpower cost	20,753.50	18,244.07
l.	Legal and professional charges	2,542.75	1,352.47
m	Brand equity and business promotion expenses	257.34	244.12
n.	Advertising and publicity	839.14	648.48
o.	Recruitment expenses	177.34	193.07
p.	Security Charges	217.36	217.13
q.	Corporate social responsibility (Refer Note ii)	223.30	189.78
r.	Other expenses	627.10	487.99
	Total	**73,174.80**	**53,137.21**

i. Network management and subcontracting charges includes cost of materials supplied for ₹ 3,509.37 lakhs (2018 – ₹ Nil)

ii. 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 ₹ 223.30 lakhs (2018: ₹ 189.03 lakhs). The Company spent ₹ 223.30 lakhs (2018: ₹ 189.78 lakhs) during the year for the purpose of CSR activities mainly under promotion of education and employability including ₹ 63.88 lakhs (2018: ₹ 54.71 lakhs) on construction / acquisition of assets.

iii. Other expenses include auditor's remuneration as follows: (excluding goods and service tax):

(₹ in lakhs)

		Year ended 31 March 2019	Year ended 31 March 2018
Auditors' remuneration and expenses			
a.	Audit fees	19.00	19.00
b.	Tax audit fees	3.00	3.00
c.	Other professional services	2.15	0.88

iv. Operating and other expenses includes an adjustment on account of liabilities no longer required written back, pertaining to prior years.

Notes forming part of the consolidated financial statements

for the year ended 31 March 2019

22. Employee benefits expense

(₹ in lakhs)

		Year ended 31 March 2019	Year ended 31 March 2018
a.	Salaries and related costs	31,931.86	34,406.39
b.	Contributions to provident, gratuity and other funds (Refer note 30)	1,632.56	2,372.47
c.	Staff welfare expenses	2,384.25	2,916.68
	Total	**35,948.67**	**39,695.54**

23. Finance costs

(₹ in lakhs)

		Year ended 31 March 2019	Year ended 31 March 2018
a.	Interest on bank overdraft and loans	12.13	36.42
b.	Other interest	96.38	185.44
	Total	**108.51**	**221.86**

24. Depreciation and amortisation expense

(₹ in lakhs)

		Year ended 31 March 2019	Year ended 31 March 2018
a.	Depreciation for the year on property, plant and equipment (Refer note 3)	1,335.50	1,368.25
b.	Amortisation for the year on intangible assets (Refer note 4)	340.12	585.80
	Total	**1,675.62**	**1,954.05**

25. Staff cost optimisation

As part of its initiative to enhance the long-term efficiency of the business, during the previous year the Group undertook certain organizational changes to align to the group's current and prospective business requirements. These changes involved certain positions in the group becoming redundant and the group has written back ₹ (199.67) lakhs during the year (2018: incurred one time charges of ₹ 1,787.53 lakhs) net of recoveries.

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Notes forming part of the consolidated financial statements

for the year ended 31 March 2019

26. **Income tax**

a. **Income tax recognised in consolidated statement of profit and loss**

(₹ in lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current tax		
In respect of current year	3,181.44	4,112.71
In respect of prior years	(297.60)	635.25
Total current tax (a)	**2,883.84**	**4,747.96**
Deferred tax		
In respect of the current year	(22.10)	92.75
In respect of the prior years	302.15	(666.59)
Total deferred tax (b)	**280.05**	**(573.84)**
Total income tax (a+b)	**3,163.89**	**4,174.12**

b. **The Income tax expense for the year can be reconciled to the accounting profit as follows**

(₹ in lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit before tax	**8,641.76**	**12,057.93**
Income tax expense calculated at 34.608% Tax rate (2018 : 34.608% Tax rate)	3,100.16	4,154.88
Tax expense as per consolidated statement of profit and loss	3,163.89	4,174.12
Difference	**(63.73)**	**(19.24)**
Reasoning		
Effect of expenses / adjustments that are not deductible in determining taxable profit	(63.73)	(19.24)
Total	**(63.73)**	**(19.24)**
Income tax expense recognised in consolidated statement of profit and loss	**3,163.89**	**4,174.12**

c. **Income tax recognised in Other comprehensive income**

(₹ in lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Deferred tax		
Remeasurement of the defined benefit obligations	39.94	277.49
Total deferred tax	**39.94**	**277.49**
Bifurcation of income taxes recognized in Other Comprehensive Income into		
Items that will not be reclassified to Statement of profit and loss	39.94	277.49

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Notes forming part of the consolidated financial statements

for the year ended 31 March 2019

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 Group. The Group 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 2019	Year ended 31 March 2018
India	73,757.62	63,062.40
United Kingdom	20,481.74	20,969.80
Canada	8,971.94	8,912.98
USA	896.77	3,681.62
Luxemburg	3,811.46	3,354.77
Others	9,779.50	8,021.90
	1,17,699.03	**1,08,003.47**

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 2019	% of total revenue	As at 31 March 2018	% of total revenue
Customer A	36,181.99	31%	28,133.62	26%
Customer B	24,198.03	21%	18,763.37	17%
Customer D	15,308.67	13%	-	-
Customer C	13,493.06	12%	13,811.56	13%

The Company's exposure to customers other than the four largest customers is diversified and no other single customer has more than 10% of outstanding accounts receivable as on 31 March 2019 and 31 March 2018.

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Notes forming part of the consolidated financial statements

for the year ended 31 March 2019

28. **Particulars of subsidiaries considered in the preparation of the consolidated financial statements:**

		Principal activity	Country of incorporation	Percentage of holding and voting power	
				As at 31 March 2019	As at 31 March 2018
a.	**Subsidiaries (held directly)**				
	Tata Communications Transformation Services Pte Limited	Telecommunication services	Singapore	100.00	100.00
b.	**Subsidiaries (held indirectly)**				
	Tata Communications Transformation Services (Hungary) Kft	Telecommunication services	Hungary	100.00	100.00
	Tata Communications Transformation Services (US) Inc	Telecommunication services	United States	100.00	100.00
	Tata Communications Transformation Services South Africa (PTY)	Telecommunication services	South Africa	100.00	100.00

29. **Earnings per share**

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Net Profit after tax attributable to the equity shareholders (A)	5,477.87	7,883.81
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)	1,095.57	1,576.76

30. **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 ₹ 1,156.77 lakhs (2018 : ₹ 1,334.86 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".

"There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund dated February 28, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order.

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 2019 by an accredited actuary.

The principal assumptions used for the purposes of the actuarial valuations were as follows

	As at 31 March 2019	As at 31 March 2018
Principal actuarial assumptions		
Discount rate	7.30%	7.50%
Salary Escalation Rate	7.00%	7.00%
Withdrawal rate		
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

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
	Expenses recognised in the statement of profit and loss		
a.	Current service cost	346.42	406.82
b.	Past service cost	-	490.02
c.	Interest cost	7.66	28.45
	Components of defined benefit costs recognized in the statement of profit and loss	**354.08**	**925.29**
	Remeasurement on the net defined benefit liability		
a.	Return on plan assets (excluding amounts included in net interest expense)	(29.56)	(96.46)
b.	Actuarial (gains) / losses arising from DBO assumption changes	44.55	(596.91)
c.	Actuarial (gains) / losses arising from experience adjustments	(129.28)	(108.45)
	Components of defined benefit costs recognized in other comprehensive income	**(114.29)**	**(801.82)**

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 2019 (Funded)	As at 31 March 2018 (Funded)
I	**Amount recognized in the balance sheet**		
	Liability at the end of the year	3,041.31	3,364.06
	Fair value of plan assets at the end of the period	2,785.36	3,175.80
	Net liability in the balance sheet	**255.95**	**188.26**
	Non-current provision (Refer note 14A)	255.95	188.26
II.	**Change in the Defined Benefit Obligation (DBO)**		
	Liability at the beginning of the period	3364.06	3,680.09
	Current service cost	346.42	406.82
	Past service cost	-	490.01
	Interest cost	222.06	244.90
	Transfer in/(out)	(171.60)	(194.60)
	Actuarial (gain) / loss on financial assumption	44.55	(596.91)
	Actuarial (gain) / loss on experience assumption	(129.28)	(108.45)
	Benefits paid	(634.90)	(557.80)
	Liability at the end of the period	**3,041.31**	**3,364.06**
III.	**Change in fair value of assets**		
	Opening fair value of plan assets	3,175.80	3,149.40
	Transfer in/ (out)	(171.60)	(194.60)

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Notes forming part of the consolidated financial statements

for the year ended 31 March 2019

Expected return on plan assets	214.40	216.44
Employer's contribution	172.10	465.90
Actuarial gain / (loss)	29.56	96.46
Benefits paid	(634.90)	(557.80)
Closing fair value of plan assets	**2,785.36**	**3,175.80**

Major categories of plan assets are as follows

		As at 31 March 2019	As at 31 March 2018
a.	Government of India securities (central and state)	41.92%	42.89%
b.	High quality corporate bonds (including public sector bonds)	23.02%	24.70%
c.	Equity shares of listed companies	19.15%	19.00%
d.	Cash (including special deposits)	9.90%	10.21%
f.	Other (including assets under schemes of insurance)	6.01%	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 2019 and 31 March 2018 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.

a. **Discount rate**

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Effect on DBO due to 1% increase	(211.36)	(231.78)
Effect on DBO due to 1% decrease	241.94	265.07

b. **Salary escalation rate**

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Effect on DBO due to 1% increase	213.02	230.63
Effect on DBO due to 1% decrease	(194.73)	(210.41)

c. **Withdrawal rate**

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Effect on DBO due to 5% increase	23.23	45.44
Effect on DBO due to 5% decrease	(56.16)	(95.16)

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

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 2019
a.	March 31, 2020	312.23
b.	March 31, 2021	326.23
c.	March 31, 2022	337.18
d.	March 31, 2023	436.93
e.	March 31, 2024	393.60
f.	March 31, 2025 to March 31, 2029	2,199.01

There has been no change in the process used by the company to manage its risks from prior years.

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.

The liability for compensated absences as at the year -end is ₹ 1,250.44 lakhs (2018: ₹ 1,341.91 lakhs) as shown under non-current provisions ₹ 1,011.69 lakhs (2018: ₹ 1,098.64 lakhs) and current provisions ₹ 238.75 lakhs (2018: ₹ 243.27 lakhs). The amount charged to the Statement of Profit and Loss under Salaries and related costs in note 22 "Employee benefits expense" is ₹ (282.11) lakhs (2018: ₹ (477.39) lakhs)

31. **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	Controlling party and its affiliates*	Tata Sons Limited Tata Consultancy Services Limited Tata Teleservices Limited Tata Teleservices Maharashtra Limited Tata Sky Limited Tata Sky Broadband Private Limited Tata Asset Management Limited Tata projects Ltd (w.e.f. 28 May 2018) Lokmanya Hospitals Private Limited (w.e.f. 28 May 2018) Tata AIG General Insurance Company Limited Sir Dorabji Tata trust (w.e.f. 28 May 2018) Tata Capital Financial Services Limited

Notes forming part of the consolidated financial statements

for the year ended 31 March 2019

		TVS Logistics Services Limited (w.e.f. 28 May 2018) Tata Elxsi Limited (w.e.f. 28 May 2018) The Indian Hotels Company Ltd (w.e.f. 28 May 2018) Conneqt Business Solutions Limited (formerly Tata Business Support Services Limited)
C	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 Tata Communications (Ireland) Limited Tata Communications (Poland) SPZoo Tata Communications (Spain) SL Tata Communication (NZ) Ltd. 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
D	Associate of holding company	STT Global Data Centers India Private Limited
E	Key managerial Personnel	Madhusudhan MR (Managing Director)

**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.

*** On May 28, 2018, Tata Sons Limited ('TSL') and its wholly owned subsidiary, Panatone Finvest Limited ('Panatone'), increased their combined stake in the Holding Company to 48.90% there by gaining de-facto control as per Ind-AS. Accordingly, the Holding Company has classified TSL and Panatone as "Controlling Entities" and hence, the Company has disclosed TSL, its subsidiaries, joint ventures and associates as the 'Controlling party and its affiliates', effective this date. The Company had disclosed TSL, its subsidiaries and its joint ventures as 'Controlling party and its affiliates' in the previous year.*

Notes forming part of the consolidated financial statements

for the year ended 31 March 2019

ii. **Summary of transactions and balances with related parties**

(₹ in lakhs)

Particulars	Holding company & its associates	Controlling party and its affiliates	Fellow subsidiaries	Key management Personnel	Total
Revenue from operations	**14,015.12** *14,247.79*	**41,423.43** *29,755.03*	**683.85** *2,256.42*		**56,122.40** *46,259.24*
Miscellaneous Income	**39.07** *31.62*		**32.24** *7.79*		**71.31** *39.41*
Rent	**1,716.68** *1,528.76*	**10.07** -			**1,726.75** *1,528.76*
Telephone expenses	**904.55** *680.33*	**120.01** *18.00*	**29.77** *15.62*		**1,054.33** *713.95*
Brand Equity and Business Promotion expenses		**256.72** *229.83*			**256.72** *229.83*
Outsource manpower cost	**1,768.02** *343.77*	**18.84** -	**4,455.42** *4,179.23*		**6,242.28** *4,523.00*
Insurance		**2.02** *2.82*			**2.02** *2.82*
Car Lease Rentals		**38.37** *80.46*			**38.37** *80.46*
Repairs & Maintenance		**104.07** -			**104.07** -
Others		**38.32** -	**0.01** -		**38.33** -
Assets – Transfer in /(Out)	**0.23** *0.09*	**24.30** -			**24.53** *0.09*
Purchase of current Investment		**3,400.00** -			**3,400.00** -
Redemption of current Investments		**3,406.16** -			**3,406.16** -
Key Managerial Remuneration				**449.39** *470.04*	**449.39** *470.04*

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Notes forming part of the consolidated financial statements

for the year ended 31 March 2019

Particulars	Holding company & its associates	Controlling party and its affiliates	Fellow subsidiaries	Key management Personnel	Total
Trade Receivables	**9,162.80** *4,227.14*	**20,884.09** *10,839.12*	**9.97** *980.48*		**30,056.86** *16,046.74*
Other assets		**3.44** *0.43*			**3.44** *0.43*
Other financial assets – non-current		**0.50** *0.50*			**0.50** *0.50*
Trade Payables	**8,879.55** *3,269.10*	**343.02** *270.71*	**4,272.03** *2,134.36*		**13,494.60** *5,674.17*
Other current Liabilities	**69.94** -		**2.29** -		**72.23** -
Other financial liabilities		**37.76** *13.45*			**37.76** *13.45*

 # Amount in italics denote previous year figures.

32. **Operating lease arrangements**

As lessee

Operating lease payments represent rentals payable by the Company for the premises taken on lease.

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Minimum lease payments under operating non-cancellable leases recognized as expense in the year	1,110.28	1,146.91

At the balance sheet date, minimum lease payments under operating non- cancellable leases fall due as follows

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Due not later than one year	1,260.97	1,122.64
Due later than one year but not later than five years	2,341.52	2,238.62
Later than five years	-	-
Total	**3,602.49**	**3,361.26**

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED MUMBAI

Notes forming part of the consolidated financial statements

for the year ended 31 March 2019

33. Contingent liabilities and commitments

I. Contingent liabilities

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Claims against the Company not acknowledged as debt		
- Claims for taxes on income (Refer i)	548.36	1,006.40
- Others (Refer ii)	4,106.00	-

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.

ii. Other claim pertains to a claim from service provider. Based on legal advice, the Company believes this claims are not probable and would lot result in outflow of resources.

II. Commitments

Capital commitments

Estimated amount of contracts remaining (net of advances) to be executed on capital account, not provided for ₹ 151.88 lakhs (2018: ₹ 854.39 lakhs).

34. 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 2019		As at 31 March 2018	
	(Amount in foreign currency)	(Amount in INR)	(Amount in foreign currency)	(Amount in INR)
i. Forward exchange contracts (Sell)				
CAD	11.33	597.13	25.90	1,315.48
EUR	3.50	281.52	6.05	492.23
GBP	32.05	3,003.10	46.30	4,290.58
ZAR	71.33	339.42	369.90	1,990.43
ii. Forward exchange contracts (Buy)				
USD	15.00	1,089.31	-	-

35. **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 consolidated financial statements.

Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2019 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)	6,049.15	-	-	6,049.15
Other financial assets	-	62.24	256.42	318.66
Trade receivables	-	-	53,832.39	53,832.39
Cash and Cash equivalents	-	-	2,263.28	2,263.28
Total	**6,049.15**	**62.24**	**56,352.09**	**62,463.48**
Financials Liabilities:				
Other financial liabilities	-	-	428.26	428.26
Trade payables	-	-	37,125.12	37,125.12
Total	**-**	**-**	**37,553.38**	**37,553.38**

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	-	-	156.03	156.03
Trade receivables	-	-	44,805.84	44,805.84
Cash and Cash equivalents	-	-	1,809.41	1,809.41
Total	**2,130.12**		**46,771.28**	**48,901.40**
Financials Liabilities:				
Borrowings	-	-	2.39	2.39
Other financial liabilities	-	43.82	450.58	494.40
Trade payables	-	-	20,104.42	20,104.42
Total	**-**	**43.82**	**20,557.39**	**20,601.21**

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payables as at 31 March 2019 and 31 March 2018 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)

(₹ in lakhs)

Financial assets	Fair value as at		Fair value hierarchy
	31 March 2019	31 March 2018	
Financial Assets			
Investment in mutual funds	6,049.15	2,130.12	Level 1
Foreign exchange forward contracts	62.24	-	Level 2
Financial Liabilities			
Foreign exchange forward contracts	-	43.82	Level 2

36. **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.

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.

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 2019 and 31 March 2018.

(₹ in lakhs)

	As at 31 March 2019		As at 31 March 2018	
Currency	**Financial liabilities**	**Financial Assets**	Financial liabilities	Financial Assets
Omani Riyal	-	28.35	-	5,870.91
CAD	-	1,622.09	-	1,287.07
GBP	1,727.37	-	-	3,572.49
EUR	-	846.59	-	691.27
USD	1,378.59	-	-	141.47
Others	1,260.48	11.94	28.91	283.78

5% appreciation/ depreciation of the respective foreign currencies with respect to functional currency of the Group would result in decrease/ increase in the Groups's profit before tax by approximately ₹ 92.87 lakhs and ₹ 590.89 lakhs for the year ended 31 March 2019 and 31 March 2018 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 Group 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 2019**	As at 31 March 2018
Within credit period	28,321.47	16,863.77
01-90 days	20,724.34	22,633.75
91-180 days	3,853.83	3,095.00
181-360 days	295.45	2,029.76
More than 360 days	637.30	183.56
Total	**53,832.39**	**44,805.84**

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES (INDIA) MUMBAI

Movement in the expected credit loss allowance

(₹ in lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Balance at beginning of the year	165.97	175.75
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(5.11)	(9.78)
Balance at the end of the year	**160.86**	**165.97**

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 Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's corporate treasury 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 2019	On demand	0 to 12 months	1 to 5 years	>5 years	Total
Trade and other payables	15,732.70	21,455.96	-	-	37,188.66
Capital creditors	301.97	62.75	-	-	364.72

(₹ in lakhs)

As at 31 March 2018	On demand	0 to 12 months	1 to 5 years	>5 years	Total
Trade and other payables	6,808.88	13,350.83	-	-	20,159.71
Capital creditors	231.86	207.25	-	-	439.11
Current borrowings	2.39	-	-	-	2.39

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED * MUMBAI

Notes forming part of the consolidated financial statements

for the year ended 31 March 2019

37. **As per Schedule III of the Companies Act 2013, the required information on subsidiaries is provided in the following table:**

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Net assets/(liabilities), i.e., total assets minus total liabilities		Share of profit or (Loss)		Share of Other Comprehensive Income/(Loss) (OCI)		Share of Total Comprehensive Income/(Loss)	
	As percentage of consolidated net assets	Amount in ₹ lakhs	As percentage of consolidated profit or loss	Amount in ₹ lakhs	As percentage of consolidated OCI	Amount in ₹ lakhs	As percentage of Total Comprehensive Income	Amount in ₹ lakhs
Parent								
Tata Communications Transformation Services Limited	99.84	38,909.67	103.75	5,693.71	100.00	74.35	103.70	5,768.06
Subsidiaries								
Foreign								
Tata Communications Transformation Services (Hungary) Kf	0.02	8.89	(0.31)	(17.14)	-	-	(0.30)	(17.14)
Tata Communications Transformation Services Pte Limited	0.06	24.53	(2.84)	(155.50)	-	-	(2.80)	(155.50)
Tata Communications Transformation Services (US) Inc	0.05	19.73	(0.21)	(11.62)	-	-	(0.21)	(11.62)
Tata Communications Transformation Services South Africa (Pty) Ltd	0.02	8.17	(0.39)	(21.61)	-	-	(0.39)	(21.61)
Total	**100.00**	**38,970.99**	**100.00**	**5,487.84**	**100.00**	**74.35**	**100.00**	**5,562.19**
Adjustments on Consolidation		(238.98)		(9.97)		-		(9.97)
Grand Total		**38,732.01**		**5,477.87**		**74.35**		**5,552.22**

Notes forming part of the consolidated financial statements

for the year ended 31 March 2019

38. **Events after the reporting period**

There are no subsequent events between the year ended 31 March 2019 and signing of financial statements as on 30 April 2019 which have material impact on the consolidated financial statements of the Group.

39. **Approval of consolidated financial statements**

The consolidated financial statements were approved for issue by the Board of Directors on 30 April 2019.

40. Previous year's figures have been regrouped/ re-arranged where necessary to confirm to current year's classification / disclosure.

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: **30 April 2019**

Place: **Mumbai**
Date: **30 April 2019**

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Communications Collaboration Services Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

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 2019, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended (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, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS financial statements section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's and the Management report, but does not include the Ind AS financial statements and our auditor's report thereon. The Director's and Management report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

S.R. Batliboi & Associates LLP, a Limited Liability Partnership with LLP Identity No. AAB-4295
Regd. Office : 22, Camac Street, Block 'B', 3rd Floor, Kolkata-700 016

Responsibilities of Management for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 the 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 controls, 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.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS financial statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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 deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 based on our audit, 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 purposes of our audit;

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

   (c) The Balance Sheet, the Statement of Profit and Loss 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 the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;

(h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts 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 of Signature: Mumbai
Date: May 8. 2019

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) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified 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 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 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 / 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 provisions of section 197 read with Schedule V of the Act are 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 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. 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 Act.

(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 8, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED

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, 2019 in conjunction with our audit of the 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.

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, 2019, 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 8, 2019

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED
BALANCE SHEET AS AT 31 MARCH 2019

₹ in lacs

		Note No.	As at 31-Mar-19	As at 31-Mar-18
I	**ASSETS**			
	1 Non-current assets			
	(a) Property, plant and equipment	3	764.42	388.45
	(b) Other Intangible assets	4	31.18	10.66
	(c) Capital work-in-progress		-	251.12
	(d) Deferred tax assets (net)	5	165.08	-
	(e) Advance tax (net)		326.52	102.08
	Total non-current assets		**1,287.20**	**752.31**
	2 Current assets			
	(a) Financial assets			
	(i) Investments	6	8,604.77	336.58
	(ii) Trade receivables	7	4,203.64	7,301.83
	(iii) Cash and cash equivalents	8	88.38	484.15
	(iv) Other financial assets	9	29.47	-
	(b) Other assets	10	965.08	165.91
	Total current assets		**13,891.34**	**8,288.47**
	Total assets		**15,178.54**	**9,040.78**
II	**EQUITY AND LIABILITIES**			
	1 Equity			
	(a) Share capital	11	2.00	2.00
	(b) Other equity	12	8,829.98	3,681.79
			8,831.98	**3,683.79**
	2 Non-current liabilities			
	(a) Deferred tax liabilities (net)	5	-	0.31
	3 Current liabilities			
	(a) Financial liabilities			
	(ii) Trade payables	13	6,257.31	4,347.50
	(iii) Other financial liabilities	14	0.10	825.11
	(b) Current tax liability (net)		25.50	109.62
	(c) Other liabilities	15	63.65	74.45
	Total current liabilities		**6,346.56**	**5,356.68**
	Total equity and liabilities		**15,178.54**	**9,040.78**

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: 08 May 2019

For and on behalf of the Board of Directors

Director

Director

Mumbai
Date: 08 May 2019

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2019

₹ in lacs

		Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
	INCOME			
I	Revenue from operations		15,472.98	10,577.62
II	Other Income	16	765.77	18.90
III	**Total income (I + II)**		**16,238.75**	**10,596.52**
IV	**EXPENSES**			
	Operating and other expenses	17	8,833.72	5,707.39
	Finance costs	18	-	14.94
	Depreciation and amortisation	19	102.91	67.09
	Total expenses		**8,936.63**	**5,789.42**
V	**Profit before tax (III-IV)**		**7,302.12**	**4,807.10**
VI	**Tax expense**	20		
(a)	Current tax expense		2,319.32	1,390.03
(b)	Deferred tax - (credit)/ charge		(165.39)	(4.34)
VII	**Profit for the year (V - VI)**		**5,148.19**	**3,421.41**
	Earnings per equity share			
	Basic and diluted (of ₹ 10 each)	22	**25,740.95**	**17,107.05**

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: 08 May 2019

For and on behalf of the Board of Directors

Director

Director

Mumbai
Date: 08 May 2019

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2019

₹ in lacs

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
1	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	PROFIT BEFORE TAX	**7,302.12**	**4,807.10**
	Adjustments for:		
	Depreciation and amortisation expense	102.91	67.09
	Finance cost	-	14.94
	MTM gain on investments carried at fair value through profit and loss (net)	(402.33)	(4.42)
	Allowance for doubtful trade receivables	47.50	0.06
	Interest income on financial assets carried at amortised cost	-	(3.02)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**7,050.20**	**4,881.75**
	Changes in working capital		
	Adjustment for (increase)/decrease in operating assets		
	Trade receivables	3,050.69	(6,077.37)
	Other current assets	(799.16)	(162.42)
	Other financial assets	(29.47)	-
	Adjustment for increase/ (decrease) in operating liabilities		
	Trade payables, other liabilities and provisions	1,909.81	3,508.73
	Other Current liabilities	(10.80)	74.46
	Other Financial liabilities	-	80.02
	Cash generated from operations before exceptional items	**11,171.27**	**2,305.16**
	Exceptional items:		
	Interest on income tax refunds	-	-
	Cash generated from operations before tax	**11,171.27**	**2,305.17**
	Income tax paid	(2,627.89)	(1,500.85)
	NET CASH FROM OPERATING ACTIVITIES	**8,543.38**	**804.32**
2	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment and intangible assets	(1,073.29)	-
	Purchase of current investments	(40,524.80)	(1,365.00)
	Proceeds from sale of current investments	32,658.94	1,032.84
	Interest received	-	5.70
	NET CASH USED IN INVESTING ACTIVITIES	**(8,939.15)**	**(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	(395.77)	447.09
	CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR (Refer Note 8 Cash and Cash Equivalents)	484.15	37.06
	CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD	**88.38**	**484.15**

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: 08 May 2019

For and on behalf of the Board of Directors

Director

Director

Mumbai
Date: 08 May 2019

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

A. Equity share capital

₹ in lacs

Particulars	No. of shares	Amount
Balance as at 01 April 2017	**20,000**	**2.00**
Changes in equity share capital during the year	-	-
Balance as at 01 April 2018	**20,000**	**2.00**
Changes in equity share capital during the year	-	-
Balance as at 31 March 2019	**20,000**	**2.00**

B. Other equity

₹ in lacs

Particulars	Retained earnings
Balance as at 01 April 2017	**260.38**
Profit for the year	3,421.41
Balance as at 31 March 2018	**3,681.79**
Profit for the year	5,148.19
Balance as at 31 March 2019	**8,829.98**

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: 08 May 2019

For and on behalf of the Board of Directors

Director

Director

Mumbai
Date: 08 May 2019

Tata Communications Collaboration Services Private Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

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.

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.

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED

*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 equipment's	**Useful lives of Assets**
Plant and machinery (Refer 1 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.

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.

S.R. BATLIBOI & ASSOCIATES LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED

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 made. 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:

i. Revenue from Voice Solutions (VS) is recognised at the end of each month based on minutes of traffic carried during the month
ii. 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.

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.

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED

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.

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.

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED

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 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.

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED

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.

  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.

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED

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.

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

Ind AS Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from 1 April 2019. As the Company does not have any leases, therefore the adoption of this standard is not likely to have any impact in its Financial Statements.

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED

3. Property, plant and equipment

Amount in ₹ lacs

Particulars	Plant and Machinery	Computers	Total
Cost			
Balance as at 1 April 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**
Additions	475.87	-	475.87
Disposals/ adjustments			
Balance as at 31 March 2019	**954.30**	**0.57**	**954.87**
Accumulated depreciation			
Balance at as 1 April 2017	**24.25**	**0.21**	**24.46**
Depreciation	65.90	0.19	66.09
Disposals/ adjustments	-	-	-
Balance at 31 March 2018	**90.15**	**0.40**	**90.55**
Depreciation	99.73	0.17	99.90
Disposals/ adjustments			
Balance as at 31 March 2019	**189.88**	**0.57**	**190.45**
Carrying amount			
Balance as at 31 March 2018	**388.28**	**0.17**	**388.45**
Balance as at 31 March 2019	**764.42**	**-**	**764.42**

4. Intangible assets

Amount in ₹ lacs

Particulars	Software
Cost	
Balance as at 1 April 2017	**-**
Additions	11.66
Disposals/ adjustments	-
Balance as at 31 March 2018	**11.66**
Additions	23.53
Disposals/ adjustments	-
Balance as at 31 March 2019	**35.19**
Accumulated depreciation	
Balance as at 1 April 2017	**-**
Depreciation	1.00
Disposals/ adjustments	-
Balance as at 31 March 2018	**1.00**
Depreciation	3.01
Disposals/ adjustments	-
Balance as at 31 March 2019	**4.01**
Carrying amount	
Balance as at 31 March 2018	**10.66**
Balance as at 31 March 2019	**31.18**

S.R. BATLIBOI & ASSOCIATES LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED

5. Deferred tax asset (net)

Amount in ₹ lacs

Major components of deferred tax asset and liability consist of the following:

	As at 1 April 2018	Recognised in profit or loss	Recognised in other comprehensive income	As at 31 March 2019
Deferred tax asset arising out of timing differences on:				
Provision for doubtful debts	0.02	13.83	-	**13.85**
Expenditure disallowed under section 40 (a) (ia)	-	151.42	-	**151.42**
Deferred tax liability arising out of timing differences on:				
Difference between accounting and tax depreciation/ amortisation	0.33	(0.14)	-	**0.19**
Total Deferred tax (liabilities)/ assets	**(0.31)**	**165.39**	-	**165.08**

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)**

6. Investments

Amount in ₹ lacs

	As at 31 March 2019	As at 31 March 2018
Current		
Investments at FVTPL	8,604.77	336.58
Total	**8,604.77**	336.58

S.R. BATLIBOI & ASSOCIATES LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED

7. Trade Receivables

Amount in ₹ lacs

	As at 31 March 2019	As at 31 March 2018
Unsecured		
Considered good	4,251.20	7,301.89
Less: allowances for doubtful debts	(47.56)	(0.06)
Total	**4,203.64**	7,301.83

8. Cash and cash equivalents

Amount in ₹ lacs

	As at 31 March 2019	As at 31 March 2018
Current accounts with scheduled banks	88.38	484.15
Total	**88.38**	484.15

9. Other financial assets

Amount in ₹ lacs

		As at 31 March 2019	As at 31 March 2018
a.	Fair valuation of forward contracts	29.47	-
	Total	**29.47**	-

10. Other assets

Amount in ₹ lacs

		As at 31 March 2019	As at 31 March 2018
	Current		
	Unsecured – considered good		
a.	Goods and Service tax receivable	931.55	132.49
b.	Prepaid expenses	33.53	33.42
	Total	**965.08**	165.91

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED

11. Equity share capital

Amount in ₹ lacs

		As at 31 March 2019	As at 31 March 2018
a.	**Authorised:**		
	150,000 (31 March 2018: 150,000) Equity shares of ₹ 10 each	15.00	15.00
b.	**Issued, subscribed and paid up:**		
	20,000 (31 March 2018: 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.

c. The Board of Directors have recommended a dividend of ₹ 25,000 per share.

d. Number of shares held by each shareholder holding more than 5% of the issued share capital:

	As at 31 March 2019		As at 31 March 2018	
	No of shares	Percentage	No of shares	Percentage
Tata Communications Limited (Holding Company)	20,000	100%	20,000	100%

12. Other equity

Amount in ₹ lacs

		As at 31 March 2019	As at 31 March 2018
a.	Retained earnings	8,829.98	3,681.79
	Total	**8,829.98**	3,681.79

13. Trade payables

Amount in ₹ lacs

	As at 31 March 2019	As at 31 March 2018
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Payable to related parties	**6,098.41**	4,225.32
- Other creditors	**158.90**	122.18
Total	**6,257.31**	4,347.50

S.R. BATLIBOI & ASSOCIATES LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED

14. Other financial liabilities

Amount in ₹ lacs

		As at 31 March 2019	As at 31 March 2018
	Current		
a.	Deposits from customers and contractors	0.10	0.10
b.	Capital creditors – Payable to related parties	-	825.01
	Total	**0.10**	825.11

15. Other current liabilities

Amount in ₹ lacs

		As at 31 March 2019	As at 31 March 2018
	Current		
a.	Statutory dues payable	49.79	56.66
b.	Deferred revenue	13.85	17.79
c.	Others	0.01	-
	Total	**63.65**	74.45

16. Other income

Amount in ₹ lacs

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income on financial assets carried at amortised cost – Bank deposits	-	3.02
Gain on investments carried at fair value through profit and loss	402.33	4.42
Foreign exchange gain (net)	363.44	11.46
Total	**765.77**	18.90

17. Operating and other expenses

Amount in ₹ lacs

		For the year ended 31 March 2019	For the year ended 31 March 2018
a.	Network and transmission expenses	7,461.78	4,616.18
b.	Services rendered by related parties	1,263.77	1,052.94
c.	Provision for doubtful trade receivables	47.50	0.06
d.	Corporate social responsibility expenditure	35.00	0.30
e.	Other expenses (Refer note 21)	25.67	37.91
	Total	**8,833.72**	5,707.39

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 ₹ 35 lacs (2018: ₹ 2.73 lacs). The Company has spent ₹ 35 lacs (2018: ₹ 0.30 lacs) during the year on CSR activities mainly for training program.

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED

18. Finance costs

Amount in ₹ lacs

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest on loan from Holding Company	-	14.94
Total	-	14.94

19. Depreciation and amortisation

Amount in ₹ lacs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation on property, plant and equipment (note 3)	99.90	66.09
Amortisation of intangible assets (note 4)	3.01	1.00
Total	**102.91**	67.09

20. Income tax

i. Income tax recognised in statement of profit and loss

Amount in ₹ lacs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax		
In respect of current year	2,150.53	1,390.03
In respect of earlier year	168.79	-
Total Current tax (a)	**2,319.32**	**1,390.03**
Deferred tax		
In respect of the current year	(13.96)	0.30
In respect of the earlier year	(151.43)	(4.64)
Total deferred tax (b)	**(165.39)**	**(4.34)**
Total Income tax (a + b)	**2,153.93**	**1,385.69**

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED

ii. **The income tax expense for the year can be reconciled to the accounting profit as follows:**

Amount in ₹ lacs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax from continuing operations	**7,302.12**	4,807.10
Income tax expense calculated at 29.12% tax rate (2017 - 2018: 28.80% tax rate)	**2,126.38**	1,385.69
Reasoning		
Effect of expenses /adjustments that are not deductible in determining taxable profit	10.19	-
Effect of Prior Period Adjustments	17.36	-
Total	27.55	-
Income tax expense recognised in profit or loss	**2,153.93**	1,385.69

21. Auditor's remuneration:

(Included in Other expenses under operating and other expenses – Refer note 17)

Amount in ₹ lacs

	For the year ended 31 March 2019	For the year ended 31 March 2018
Payment to statutory auditors		
i. Audit fees	**7.50**	7.50
ii. Others	**0.75**	-

Above amount excludes GST/ Service tax

22. Earnings per share

Amount in ₹ lacs

	As at 31 March 2019	As at 31 March 2018
Net profit after tax attributable to the equity shareholders (A)	**5,148.19**	3,421.41
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)	**25,740.95**	17,107.05

23. 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.

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED

The Company geographical segment is as per the table below:

	Amount in ₹ lacs	
Country	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
United States of America	7,092.48	5,108.05
India	5,663.42	4,040.15
United Kingdom	1,613.83	1,118.68
Others	1,103.25	310.74
Total	**15,472.98**	**10,577.62**

For segment, non-current assets comprises of property, plant and equipment, capital work in progress and other intangible assets which are mainly located in India.

Information about major customers:

	Amount in ₹ lacs	
Name	**For the year ended 31 March 2019**	For the year ended 31 March 2018
Customer C	7,092.48	5,108.05
Customer D	2,116.44	136.43
Customer A	1,613.83	1,118.68
Customer B	217.73	223.51

24. 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	Controlling party and its affiliates	Tata Sons Private 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
		Tata AutoComp GY Batteries Private Limited *(formerly Tata AutoComp GY Batteries Limited)*
		Tata AIA Life Insurance Company Limited

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED

Sr No	Category of related parties	Names
		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 *(ceased w.e.f 2 July 2018)*
		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 October 2017)*
		Tata Asset Management Limited
		Tata Ficosa Automotive Systems Private Limited *(formerly Tata Ficosa Automotive Systems Limited)*
		Concorde Motors (India) Limited *(w.e.f 28 May 2019)*
		Conneqt Business Solutions Limited *(formerly Tata Business Support Services Limited)*
		Sai Life Science Limited *(w.e.f 28 May 2019) (ceased w.e.f. 25 July 2018)*
		Tata Chemicals Limited *(w.e.f 28 May 2019)*
		Tata Chemicals Magadi Limited *(w.e.f 28 May 2019)*
		Tata Coffee Ltd. *(w.e.f 28 May 2019)*

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI
TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED

Sr No	Category of related parties	Names
		Tata Elxsi Limited *(w.e.f 28 May 2019)*
		Tata Metaliks Ltd. *(w.e.f 28 May 2019)*
		Tata Power Solar Systems Limited *(w.e.f 28 May 2019)*
		Tata Projects Limited *(w.e.f 28 May 2019)*
		Tata Steel BSL Limited *(formerly Bhushan Steel Limited) (w.e.f 28 May 2019)*
		Tata Steel Limited *(w.e.f 28 May 2019)*
		Tata Steel Processing and Distribution Limited *(w.e.f 28 May 2019)*
		Tata Technologies Europe Limited *(w.e.f 28 May 2019)*
		Tata Technologies Limited *(w.e.f 28 May 2019)*
		Tata Teleservices (Maharashtra) Limited
		The Indian Hotels Company Limited *(w.e.f 28 May 2019)*
		The Tinplate Company of India Limited *(w.e.f 28 May 2019)*
		Titan Company Limited *(w.e.f 28 May 2019)*
D	Fellow subsidiaries*	Tata Communications Transformation Services Limited
		Tata Communications (America) Inc.
		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
		Tata Communications (Australia) Pty Limited
		Tata Communications (Ireland) Limited
		Tata Communications (Poland) Sp. Zoo
		Tata Communications (Switzerland) GmbH
		Tata Communications (France) SAS
		Tata Communications Sweden AB
E	Associates of holding company *	STT Global Data Centres India Private Limited

* *Where transactions have taken place or there are balances*

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED

 # 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.

On May 28, 2018, Tata Sons Private Limited ('TSPL') and its wholly owned subsidiary, Panatone Finvest Limited ('Panatone'), increased their combined stake in Holding Company to 48.90% there by gaining de-facto control as per Ind-AS. Accordingly, the Holding Company has classified TSPL and Panatone as "Controlling Entities" and hence, the Company has disclosed TSPL, its subsidiaries, joint ventures and associates as the 'Controlling party and its affiliates', effective this date. The Company had disclosed TSPL, its subsidiaries and its joint ventures as 'Controlling party and its affiliates' in the previous year.

ii. *Summary of transactions and balances with related parties*

Amount in ₹ lacs

Particulars	Holding company	Controlling party and its Affiliates	Fellow subsidiaries	Associates of holding company	Total
Transactions during the year					
Revenue from operations	**2,116.44**	**790.06**	**9,881.00**	**8.89**	**12,796.39**
	136.43	*593.01*	*6,555.17*	-	*7,284.61*
Operating and other expenses	**550.36**	**3,839.61**	**1,549.98**	-	**5,939.95**
	570.21	*1,590.84*	*832.11*	-	*2,993.16*
Finance costs	-	-	-	-	-
	14.94	-	-	-	*14.94*
Fixed assets purchased	**248.28**			-	**248.28**
	524.68	-	-	-	*524.68*
Purchase of Mutual Funds	-	**5,265.00**	-	-	**5,265.00**
	-	-	-	-	-
Redemption of Mutual Funds	-	**3,283.87**	-	-	**3,283.87**
	-	-	-	-	-
Closing balances					
Trade receivables	-	**347.20**	**3,104.81**	**10.37**	**3,462.38**
	417.58	*302.06*	*5,093.58*	-	*5,813.22*
Current investments	-	**2,000.00**	-	-	**2,000.00**
	-	-	-	-	-
Loan taken	-	-	-	-	-
	623.39	-	-	-	*623.39*
Loan repaid	-	-	-	-	-
	635.52	-	-	-	*635.52*
Trade payables	**2,585.54**	**2,654.18**	**858.69**	-	**6,098.41**
	1,185.33	*2,176.16*	*863.83*	-	*4,225.32*
Other financial liabilities – Current	-	-	-	-	-
	825.01	-	-	-	*825.01*

Previous year figures are in italics

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED

25. 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.

Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2019 and 31 March 2018 are as follows:

Amount in ₹ lacs

	As at 31 March 2019	As at 31 March 2018
Financial assets:		
Investments	8,604.77	336.58
Trade receivables	4,203.64	7,301.83
Other financial assets	29.47	-
Cash and cash equivalents	88.38	484.15
Total	**12,926.26**	**8,122.56**
Financials liabilities:		
Trade payables	6,257.31	4,347.50
Other financial liabilities	0.10	825.11
Total	**6,257.41**	**5,172.61**

Carrying amounts of cash and cash equivalents, trade receivables and trade payables as at 31 March 2019 and 31 March 2018 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.

26. 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.

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).

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED

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-crystalised (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 2019 and 31 March 2018.

Currency	USD	GBP
As at 31 March 2019		
Financial assets	664.12	-
Financial Liabilities	-	4.05

Currency	USD	GBP
As at 31 March 2018		
Financial assets	4,457.62	8.70

5% appreciation/ depreciation of the respective foreign currencies with respect to functional currency of the Company would result in increase/ decrease in the Company's profit before tax by approximately ₹ 33 lacs (2017 - 2018: ₹ 223.32 lacs) for the year ended 31 March 2019.

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 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:

Amount in ₹ lacs

Ageing of receivables	As at 31 March 2019	As at 31 March 2018
Within credit period	497.10	5,786.14
1-90 days	3,463.16	1,093.60
91-180 days	119.55	261.93
181-360 days	112.48	160.15
More than 360 days	11.35	-
Total	**4,203.64**	**7,301.83**

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED

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 a reasonable price. The Company's corporate treasury department is responsible for liquidity, funding as well settlement management. In addition, processes and policies related to such risks are overseen by senior manageme The table below summarises the maturity profile of the Company's financial liabilities based on contractu undiscounted payments.

Amount in ₹ lacs

	On demand	0 to 12 months	1 to 5 years	Total
As at 31 March 2019				
Other financials liabilities	0.10	-	-	0.10
Trade Payables	3,475.27	2,782.04	-	6,257.31

Amount in ₹ lacs

	On demand	0 to 12 months	1 to 5 years	Total
As at 31 March 2018				
Other financials liabilities	825.11	-	-	825.11
Trade Payables	2,685.68	1,661.82	-	4,347.50

27. **Events after the reporting period**

There are no subsequent events between the year ended 31 March 2019 and signing of financial statements as on 08 May 2019 which have material impact on the financials of the Company.

28. **Approval of financial statements**

The financial statements were approved for issue by the board of directors on 08 May 2019.

29. Previous year's figures have been regrouped/rearranged where necessary to confirm to current year's classification/disclosure.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/ E300004

Hormuz Master
Partner
Membership No. 110797

MUMBAI
DATE: 08 May 2019

For and on behalf of the Board of Directors

Director

Director

MUMBAI
DATE: 08 May 2019

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 **VSNL SNOSPV Pte Ltd** ("the subsidiary") registered in Singapore as at 31 March 2019 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.

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Place Mumbai
Date: 06 MAY 2019

VSNL SNOSPV Pte Ltd

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Investments in subsidiaries & associates	1	-	-	-	-
	Financial assets					
	(i) Loans	2	-	-	-	-
	Non current tax asset		**40,962**	**2,835,390**	-	-
			40,962	**2,835,390**	-	-
(2)	**Current assets**					
	Financial assets					
	(i) Cash and cash equivalent	3	**2,035**	**140,863**	51,874	3,381,164
	Other current assets	4	**948**	**65,621**	-	-
			2,983	**206,484**	51,874	3,381,164
	TOTAL ASSETS		**43,945**	**3,041,874**	51,874	3,381,164
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	5	**25,449,333**	**1,761,602,830**	769,333	50,145,125
	Other equity	6	**(26,936,343)**	**(1,864,533,661)**	(49,190,673)	(3,206,248,051)
	Total Equity		**(1,487,010)**	**(102,930,831)**	(48,421,340)	(3,156,102,926)
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Borrowings	7	-	-	16,416	1,069,998
	(ii) Other financial liabilities	8	-	-	24,680,000	1,608,642,400
			-	-	24,696,416	1,609,712,398
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	9	**1,208,416**	**83,646,556**	-	-
	(ii) Trade payables	10	**322,539**	**22,326,149**	271,362	17,687,374
	(iii) Other financial liabilities	11	-	-	22,353,995	1,457,033,394
	Current tax liabilities (Net)		-	-	1,151,441	75,050,924
			1,530,955	**105,972,705**	23,776,798	1,549,771,692
	TOTAL EQUITY AND LIABILITIES		**43,945**	**3,041,874**	51,874	3,381,164

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

VSNL SNOSPV Pte Ltd

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services		-	-	-	-
ii	Other Income	12	**24,772,257**	**1,714,735,629**	18,188	1,185,518
iii	**Total income (i + ii)**		**24,772,257**	**1,714,735,629**	18,188	1,185,518
iv	**Expenses:**					
	Operating and other expenses	13	**108,150**	**7,486,142**	199,379	12,995,531
	Finance costs	14	**9,392**	**650,114**	212,064	13,822,332
	Impairment of investment		-	-	(157,351)	(10,256,132)
	Total expenses		**117,542**	**8,136,256**	254,092	16,561,731
v	**Profit / (loss) before taxes (iii -iv)**		**24,654,715**	**1,706,599,373**	(235,904)	(15,376,213)
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)**		**24,654,715**	**1,706,599,373**	(1,387,345)	(90,427,137)

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Investments in subsidiaries & associates

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Investments in subsidiaries	237,005,751	16,405,538,060	237,005,751	15,448,034,827
Impairment of investment in subsidiaries	(237,005,751)	(16,405,538,060)	(237,005,751)	(15,448,034,827)
Total	-	-	-	-

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans given	27,359,693	1,893,837,949	27,359,693	1,783,304,788
Allowances for loan receivables	(27,359,693)	(1,893,837,949)	(27,359,693)	(1,783,304,788)
Total	-	-	-	-

3 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	2,035	140,863	51,874	3,381,164
Total	2,035	140,863	51,874	3,381,164

4 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	948	65,621	-	-
Total	948	65,621	-	-

5 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	25,449,333	1,761,602,830	769,333	50,145,125
Total	25,449,333	1,761,602,830	769,333	50,145,125

6 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(49,190,674)**	**(3,404,978,454)**	(45,335,328)	(2,954,956,674)
Profit / (loss) for the year	**24,654,715**	**1,706,599,373**	(1,387,345)	(90,427,137)
Proposed Dividend	**(2,400,384)**	**(166,154,580)**	(2,468,000)	(160,864,240)
Total	**(26,936,343)**	**(1,864,533,661)**	(49,190,673)	(3,206,248,051)

7 Non-current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans	-	-	16,416	1,069,998
Total	-	-	16,416	1,069,998

8 Non-current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Preference share capital	-	-	24,680,000	1,608,642,400
Total	-	-	24,680,000	1,608,642,400

9 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Inter company loans taken	**1,208,416**	**83,646,556**	-	-
Total	**1,208,416**	**83,646,556**	-	-

10 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	**87,511**	**6,057,511**	45,726	2,980,416
Inter Company - Payables	**235,028**	**16,268,638**	225,636	14,706,958
Total	**322,539**	**22,326,149**	271,362	17,687,374

11 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Dividend payable	-	-	22,353,995	1,457,033,394
Total	-	-	22,353,995	1,457,033,394

12 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest income - others	217	15,021	18,188	1,185,518
Exchange gain -Net	17,661	1,222,494	-	-
Miscellaneous income	24,754,379	1,713,498,114	-	-
Total	24,772,257	1,714,735,629	18,188	1,185,518

13 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Auditors remuneration	8,187	566,704	8,701	567,115
Exchange loss -Net	-	-	366,813	23,908,894
Legal and professional fees	98,782	6,837,690	(178,801)	(11,654,239)
Miscellaneous expenses	1,181	81,748	2,623	170,945
Travelling and conveyance expenses	-	-	43	2,816
Total	108,150	7,486,142	199,379	12,995,531

14 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Guarantee fees	9,392	650,114	212,064	13,822,332
Total	9,392	650,114	212,064	13,822,332

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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.

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Place Mumbai
Date: 06 MAY 2019

Tata Communications (South Korea) Ltd.

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**55,183**	**3,819,767**	-	-
	Deferred tax assets (Net)		**21,019**	**1,454,935**	-	-
	Other non-current assets	2	**46,995**	**3,252,994**	-	-
			123,197	**8,527,696**	-	-
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	3	**104,039**	**7,201,580**	146,336	9,538,181
	(ii) Cash and cash equivalent	4	**309,474**	**21,421,790**	109,677	7,148,747
	Other current assets	5	**24,475**	**1,694,160**	71,269	4,645,313
			437,988	**30,317,530**	327,282	21,332,241
	TOTAL ASSETS		**561,185**	**38,845,226**	327,282	21,332,241
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	6	**260,825**	**18,054,307**	260,825	17,000,574
	Other equity	7	**7,202**	**498,524**	(13,911)	(906,719)
	Total Equity		**268,027**	**18,552,831**	246,914	16,093,855
(2)	**Non-current liabilities**					
	Other non current liabilities (Deferred revenue)		**3,750**	**259,575**	-	-
			3,750	**259,575**	-	-
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	8	**159,620**	**11,048,896**	1,070	69,743
	(ii) Other financial liabilities	9	**1,484**	**102,722**	-	-
	Other current liabilities	10	**115,089**	**7,966,460**	67,941	4,428,394
	Provisions	11	**3,519**	**243,585**	11,224	731,580
	Current tax liabilities (Net)		**9,696**	**671,157**	133	8,669
			289,408	**20,032,820**	80,368	5,238,386
	TOTAL EQUITY AND LIABILITIES		**561,185**	**38,845,226**	327,282	21,332,241

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Tata Communications (South Korea) Ltd.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	12	**613,753**	**42,483,983**	395,056	25,749,750
ii	Other Income	13	-	-	17,940	1,169,329
iii	**Total income (i + ii)**		**613,753**	**42,483,983**	412,996	26,919,079
iv	**Expenses:**					
	Network and transmission expenses	14	**231,786**	**16,044,227**	132	8,604
	Employee benefits expenses	15	**231,908**	**16,052,671**	319,983	20,856,492
	Operating and other expenses	16	**141,678**	**9,806,951**	32,315	2,106,291
	Depreciation and amortisation expenses		**2,586**	**179,003**	-	-
	Total expenses		**607,958**	**42,082,852**	352,430	22,971,387
v	**Profit / (loss) before exceptional items and taxes (iii - iv)**		**5,795**	**401,131**	60,566	3,947,692
vi	**Exceptional items (income / expenses):**					
	Staff cost optimisation		**10,764**	**745,084**	(33,894)	(2,209,211)
vii	**Profit before taxes (v - vi)**		**16,559**	**1,146,215**	26,672	1,738,481
viiii	**Tax expenses**					
	(i) Current tax expense/(benefit)		**16,465**	**1,139,707**	133	8,669
	(ii) Deferred tax expense/(benefit)		**(21,019)**	**(1,454,935)**	-	-
	Net tax expenses		**(4,554)**	**(315,228)**	133	8,669
ix	**Profit / (loss) for the year (vii-viii)**		**21,113**	**1,461,443**	26,539	1,729,812

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	57,769	3,998,770	-	-
Computers	1,385	95,870	1,385	90,274
(a)	59,154	4,094,640	1,385	90,274
Accumulated depreciation:				
Plant and machinery	2,586	179,003	-	-
Computers	1,385	95,870	1,385	90,274
(b)	3,971	274,873	1,385	90,274
Net block (a) - (b)	55,183	3,819,767	-	-

2 Non-current assets - others

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	46,995	3,252,994	-	-
Total	46,995	3,252,994	-	-

3 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	104,039	7,201,580	42,344	2,759,982
Intercompany receivables	-	-	103,992	6,778,199
Total	104,039	7,201,580	146,336	9,538,181

4 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	309,474	21,421,790	109,677	7,148,747
Total	309,474	21,421,790	109,677	7,148,747

5 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	24,475	1,694,160	-	-
Others	-	-	71,269	4,645,313
Total	24,475	1,694,160	71,269	4,645,313

6 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	260,825	18,054,307	260,825	17,000,574
Total	**260,825**	**18,054,307**	260,825	17,000,574

7 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(13,911)	(962,919)	(40,450)	(2,636,531)
Profit / (loss) for the year	21,113	1,461,443	26,539	1,729,812
Total	**7,202**	**498,524**	(13,911)	(906,719)

8 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	115,736	8,011,246	1,070	69,743
Inter Company - Payables	43,884	3,037,650	-	-
Total	**159,620**	**11,048,896**	1,070	69,743

9 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deposit from customers and contractors	1,484	102,722	-	-
Total	**1,484**	**102,722**	-	-

10 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Deferred revenue and advance from customers	8,187	566,704	-	-
Other Employee dues	57,741	3,996,832	65,595	4,275,482
Other Statutory dues	16,273	1,126,417	869	56,641
Others	32,888	2,276,507	1,477	96,271
Total	**115,089**	**7,966,460**	67,941	4,428,394

11 Current liabilities - provisons

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Leave entitlement	3,519	243,585	11,224	731,580
Total	3,519	243,585	11,224	731,580

12 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	613,753	42,483,983	395,056	25,749,750
Management consultancy Services	-	-	-	-
Total	613,753	42,483,983	395,056	25,749,750

13 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Exchange gain -Net	-	-	17,940	1,169,329
Total	-	-	17,940	1,169,329

14 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	231,786	16,044,227	132	8,604
Total	231,786	16,044,227	132	8,604

15 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Salaries, bonus and allowances	231,647	16,034,605	319,630	20,833,483
Staff welfare expenses	261	18,066	353	23,009
Total	231,908	16,052,671	319,983	20,856,492

16 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Communication expenses	**2,034**	**140,793**	1,682	109,633
Entertainment expenses	**4,888**	**338,347**	3,402	221,742
Exchange loss -Net	**19,850**	**1,374,017**	-	-
Insurance expenses	**5,200**	**359,944**	-	-
IT consumables	**752**	**52,053**	-	-
Legal and professional fees	**73,572**	**5,092,654**	21,201	1,381,881
Miscellaneous expenses	**23,554**	**1,630,408**	2,535	165,231
Printing and stationery	**181**	**12,529**	42	2,738
Recruitment expenses	-	-	741	48,298
Repairs and Maintenance - Plant & Machinery	**3,739**	**258,814**	-	-
Seminars, trainings and conferences	**404**	**27,965**	-	-
Travelling and conveyance expenses	**7,504**	**519,427**	2,712	176,768
Total	**141,678**	**9,806,951**	32,315	2,106,291

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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.

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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

SURESH SURANA & ASSOCIATES LLP * MUMBAI * Chartered Accountants

Place Mumbai
Date: 06 MAY 2019

Nexus Connexion (SA) Pty Ltd

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			ZAR	INR*	ZAR	INR*
(A)	**ASSETS**					
(1)	**Current assets**					
	Financial assets					
	(i) Cash and cash equivalent	1	**4,164**	**19,862**	6,863	37,815
			4,164	**19,862**	6,863	37,815
	TOTAL ASSETS		**4,164**	**19,862**	6,863	37,815
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	2	**10,000**	**47,700**	10,000	55,100
	Other equity	3	**(147,246)**	**(702,364)**	(166,897)	(919,602)
	Total Equity		**(137,246)**	**(654,664)**	(156,897)	(864,502)
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	4	**141,410**	**674,526**	163,760	902,317
			141,410	**674,526**	163,760	902,317
	TOTAL EQUITY AND LIABILITIES		**4,164**	**19,862**	6,863	37,815

*Exchange rate as at 31 March 2019 1 ZAR = INR 4.77 (as at 31 March 2018 1 ZAR = INR 5.51)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Nexus Connexion (SA) Pty Ltd

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Current year 2017-18	
			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	**(19,651)**	**(93,736)**	39,996	220,377
	Total expenses		**(19,651)**	**(93,736)**	39,996	220,377
v	**Profit/(loss) before taxes (iii - iv)**		**19,651**	**93,736**	(39,996)	(220,377)
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	**Profit / (loss) for the year (v-vi)**		**19,651**	**93,736**	(39,996)	(220,377)

*Exchange rate as at 31 March 2019 1 ZAR = INR 4.77 (as at 31 March 2018 1 ZAR = INR 5.51)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Nexus Connexion (SA) Pty Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	ZAR	INR	ZAR	INR
Balance with bank	4,164	19,862	6,863	37,815
Total	**4,164**	**19,862**	6,863	37,815

2 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	ZAR	INR	ZAR	INR
Equity share capital	10,000	47,700	10,000	55,100
Total	**10,000**	**47,700**	10,000	55,100

3 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	ZAR	INR	ZAR	INR
				-
Surplus / (Deficit)				
Opening balance	(296,897)	(1,416,199)	(256,901)	(1,415,525)
Profit / (loss) for the year	19,651	93,735	(39,996)	(220,377)
Closing balance	(277,246)	(1,322,464)	(296,897)	(1,635,902)
Share premium	130,000	620,100	130,000	716,300
Total	(147,246)	(702,364)	(166,897)	(919,602)

4 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	ZAR	INR	ZAR	INR
Trade payable	141,410	674,526	163,760	902,317
Total	**141,410**	**674,526**	163,760	902,317

5 Other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	ZAR	INR	ZAR	INR
Legal and professional fees	(22,350)	(106,610)	39,996	220,377
Miscellaneous expenses	2,699	12,874	-	-
Total	(19,651)	(93,736)	39,996	220,377

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021, India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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) Kf** ("the subsidiary") registered in Hungary as at 31 March 2019 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.

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093, India. T +91 (22) 6191 5555

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: 06 MAY 2019

Tata Communications Transformation Services (Hungary) Kf

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			HUF	INR*	HUF	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Investments in subsidiaries	1	**12,840,000**	**3,081,600**	-	-
			12,840,000	**3,081,600**	-	-
(1)	**Current assets**					
	Financial assets					
	(i) Cash and cash equivalent	2	**6,823,339**	**1,637,601**	**22,599,931**	**5,800,950**
			6,823,339	**1,637,601**	**22,599,931**	**5,800,950**
	TOTAL ASSETS		**19,663,339**	**4,719,201**	**22,599,931**	**5,800,950**
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	3	**22,650,000**	**5,436,000**	**22,650,000**	**5,813,802**
	Other equity	4	**(18,945,685)**	**(4,546,965)**	**(12,219,428)**	**(3,136,483)**
	Total Equity		**3,704,315**	**889,035**	**10,430,572**	**2,677,319**
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	5	**15,959,024**	**3,830,166**	**12,169,359**	**3,123,631**
			15,959,024	**3,830,166**	**12,169,359**	**3,123,631**
	TOTAL EQUITY AND LIABILITIES		**19,663,339**	**4,719,201**	**22,599,931**	**5,800,950**

*Exchange rate as at 31 March 2019 1 HUF = INR =0.24 (as at 31 March 2018 1 HUF = INR 0.26)

Tata Communications Transformation Services (Hungary) Kf

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			HUF	INR*	HUF	INR*
i	Revenue from telecommunications services		-	-	-	-
ii	Other income	6	134,786	32,349	4	1
iii	**Total income (i + ii)**		134,786	32,349	4	1
iv	**Expenses:**					
	(i) Operating and other expenses	7	6,861,043	1,646,651	9,137,264	2,345,353
	Total expenses		6,861,043	1,646,651	9,137,264	2,345,353
v	**Profit / (loss) before taxes (iii - iv)**		(6,726,257)	(1,614,302)	(9,137,260)	(2,345,352)
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	**Profit / (loss) for the year (v-vi)**		(6,726,257)	(1,614,302)	(9,137,260)	(2,345,352)

*Exchange rate as at 31 March 2019 1 HUF = INR =0.24 (as at 31 March 2018 1 HUF = INR 0.26)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 **Investments in subsidiaries**

Particulars	As at 31 March 2019		As at 31 March 2018	
	HUF	INR	HUF	INR
Investments in subsidiaries	12,840,000	3,081,600	-	-
Total	12,840,000	3,081,600	-	-

2 **Cash and cash equivalents**

Particulars	As at 31 March 2019		As at 31 March 2018	
	HUF	INR	HUF	INR
Balance with bank	6,823,339	1,637,601	22,599,931	5,800,950
Total	6,823,339	1,637,601	22,599,931	5,800,950

3 **Equity share capital**

Particulars	As at 31 March 2019		As at 31 March 2018	
	HUF	INR	HUF	INR
Equity share capital	22,650,000	5,436,000	22,650,000	5,813,802
Total	22,650,000	5,436,000	22,650,000	5,813,802

4 **Other Equity**

Particulars	As at 31 March 2019		As at 31 March 2018	
	HUF	INR	HUF	INR
Surplus / (Deficit)				
Opening balance	(12,219,428)	(2,932,663)	(3,082,168)	(791,131)
Profit / (loss) for the year	(6,726,257)	(1,614,302)	(9,137,260)	(2,345,352)
Closing balance	(18,945,685)	(4,546,965)	(12,219,428)	(3,136,483)

5 **Current liabilities - Trade payables**

Particulars	As at 31 March 2019		As at 31 March 2018	
	HUF	INR	HUF	INR
Trade payable	15,959,024	3,830,166	12,169,359	3,123,631
Total	15,959,024	3,830,166	12,169,359	3,123,631

6 **Other income**

Particulars	Current year 2018-19		Previous year 2017-18	
	HUF	INR	HUF	INR
Interest income - others	7	2	4	1
Exchange Gain/(Loss) -Net	134,779	32,347	-	-
Total	134,786	32,349	4	1

7 **Other expenses**

Particulars	Current year 2018-19		Previous year 2017-18	
	HUF	INR	HUF	INR
Legal and professional fees	6,357,569	1,525,817	9,071,786	2,328,546
Miscellaneous expenses	493,474	118,434	65,478	16,807
Rates and Taxes	10,000	2,400	-	-
Total	6,861,043	1,646,651	9,137,264	2,345,353

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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.

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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: 06 MAY 2019

Tata Communications Transformation Services Pte Limited

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
(a)	Capital work-in-progress		68,371	4,732,647	-	-
(b)	Financial assets					
	(i) Investments -others		140,260	9,708,765	140,260	9,142,116
			208,631	14,441,412	140,260	9,142,116
(2)	**Current assets**					
(a)	Financial assets					
	(i) Trade receivables	1	601,379	41,627,463	202,192	13,178,870
	(ii) Cash and cash equivalent	2	454,904	31,488,436	23,544	1,534,612
	(iii) Other financial assets	3	35,506	2,457,694	14,124	920,618
(b)	Other current assets	4	17,455	1,208,225	4,823	314,369
			1,109,243	76,781,818	244,683	15,948,469
	TOTAL ASSETS		1,317,874	91,223,230	384,943	25,090,585
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	5	170,000	11,767,400	170,000	11,080,600
	Other equity	6	(134,560)	(9,314,212)	104,009	6,779,301
	Total Equity		35,440	2,453,188	274,009	17,859,901
(2)	**Non-current liabilities**					
	Provisions (Net of Advance Tax)		26	1,793	-	-
			26	1,793	-	-
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	7	1,211,787	83,879,871	88,513	5,769,288
	(ii) Other current liabilities	8	70,621	4,888,378	22,421	1,461,396
			1,282,408	88,768,249	110,934	7,230,684
	TOTAL EQUITY AND LIABILITIES		1,317,874	91,223,230	384,943	25,090,585

*Exchange rate as at 31 March 2019 1 USD = 69.22 INR (31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Tata Communications Transformation Services Pte Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
i	Revenue from operations	9	1,340,101	92,761,786	353,352	23,031,483
ii	Other Income	10	-	-	4	250
iii	**Total income (i + ii)**		1,340,101	92,761,786	353,356	23,031,733
iv	**Expenses:**					
	(i) Operating and other expenses	11	1,556,023	107,707,882	230,632	15,032,596
	(ii) Finance costs	12	13,336	923,106	-	-
	Total expenses		1,569,358	108,630,988	230,632	15,032,596
v	**Profit / (loss) before taxes (iii - iv)**		(229,257)	(15,869,202)	122,724	7,999,137
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		9,311	644,507	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		9,311	644,507	-	-
vii	**Profit / (loss) for the year (v-vi)**		(238,568)	(16,513,709)	122,724	7,999,137

*Exchange rate as at 31 March 2019 1 USD = 69.22 INR (31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 **Trade receivables**

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	594,240	41,133,318	176,520	11,505,574
Intercompany receivables	7,139	494,145	25,672	1,673,296
Total	601,379	41,627,463	202,192	13,178,870

2 **Cash and cash equivalents**

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	454,904	31,488,436	23,544	1,534,612
Total	454,904	31,488,436	23,544	1,534,612

3 **Current assets - other financial assets**

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Security Deposit	21,381	1,480,014	14,124	920,618
Others	14,124	977,680	-	-
Total	35,506	2,457,694	14,124	920,618

4 **Current assets - other assets**

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	3,706	256,529	-	-
Prepaid expenses	13,749	951,696	4,203	273,979
Indirect tax receivable	-	-	620	40,390
Total	17,455	1,208,225	4,823	314,369

5 **Equity share capital**

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	170,000	11,767,400	170,000	11,080,600
Total	170,000	11,767,400	170,000	11,080,600

6 **Other Equity**

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	104,009	7,199,497	(18,912)	(1,232,691)
Profit / (loss) for the year	(238,568)	(16,513,709)	122,724	7,999,137
Closing balance	(134,560)	(9,314,212)	103,812	6,766,446
Foreign Exchange Translation Reserve	-	-	197	12,855
Total	(134,560)	(9,314,212)	104,009	6,779,301

7 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	1,211,787	83,879,871	88,513	5,769,288
Total	1,211,787	83,879,871	88,513	5,769,288

8 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Other Employee dues	27,390	1,895,925	22,421	1,461,396
Statutory dues	42,506	2,942,260	-	-
Others	725	50,193	-	-
Total	70,621	4,888,378	22,421	1,461,396

9 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	1,340,101	92,761,786	353,352	23,031,483
Total	1,340,101	92,761,786	353,352	23,031,483

10 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Exchange Gain -Net	-	-	4	250
Total	-	-	4	250

11 Other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Advertising and publicity	1,574	108,979	-	-
Auditors remuneration	2,839	196,493	-	-
Communication expenses	6,860	474,828	-	-
Entertainment expenses	15	1,045	-	-
Exchange loss -Net	6,650	460,303	-	-
Insurance expenses	212	14,686	-	-
Legal and professional fees	87,357	6,046,861	39,123	2,550,031
Miscellaneous expenses	13,336	923,147	4,523	294,834
Printing and stationery	6,983	483,381	-	-
Recruitment expenses	13,316	921,724	-	-
Rent	79,302	5,489,280	2,918	190,163
Repairs and Maintenance - Plant & Machinery	717	49,636	-	-
Repairs and Maintenance -Building	367	25,413	-	-
Seminars, trainings and conferences	230	15,942	-	-
Services rendered by agencies	1,290,015	89,294,825	176,767	11,521,674
Travelling and conveyance expenses	46,249	3,201,339	7,301	475,894
Total	1,556,023	107,707,882	230,632	15,032,596

12 Finance costs

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest expenses	10	693	-	-
Guarantee fees	13,326	922,413	-	-
Total	13,336	923,106	-	-

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Place Mumbai
Date: 06 MAY 2019

Tata Communications (Brazil) ParticipacoesLimitada

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Investments in subsidiaries & associates	1	**693,350**	**47,993,687**	693,350	45,192,553
			693,350	**47,993,687**	693,350	45,192,553
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	2	**14,558**	**1,007,705**	-	-
	(ii) Cash and cash equivalent	3	**31,906**	**2,208,533**	132,779	8,654,535
			46,464	**3,216,238**	132,779	8,654,535
	TOTAL ASSETS		**739,814**	**51,209,925**	826,129	53,847,088
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	4	**820,892**	**56,822,144**	820,892	53,505,741
	Other equity	5	**(88,535)**	**(6,128,393)**	(26,664)	(1,737,961)
	Total Equity		**732,357**	**50,693,751**	794,228	51,767,780
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	6	**4,990**	**345,408**	26,225	1,709,346
	(ii) Other financial liabilities	7	**471**	**32,603**	5,676	369,962
	Other current liabilities	8	**1,996**	**138,163**	-	-
			7,457	**516,174**	31,901	2,079,308
	TOTAL EQUITY AND LIABILITIES		**739,814**	**51,209,925**	826,129	53,847,088

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Tata Communications (Brazil) ParticipacoesLimitada

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from Operations		-	-	-	-
ii	Other Income	9	**505**	**34,956**	8,496	553,769
iii	**Total income (i + ii)**		**505**	**34,956**	8,496	553,769
iv	**Expenses:**					
	Operating and other expenses	10	**62,376**	**4,317,667**	35,160	2,291,730
	Total expenses		**62,376**	**4,317,667**	35,160	2,291,730
v	**Profit / (loss) before taxes (iii - vi)**		**(61,871)**	**(4,282,711)**	(26,664)	(1,737,961)
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	**Profit / (loss) for the year (vii-viii)**		**(61,871)**	**(4,282,711)**	(26,664)	(1,737,961)

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Investments in subsidiaries & associates

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Investments in subsidiaries	693,350	47,993,687	693,350	45,192,553
Total	693,350	47,993,687	693,350	45,192,553

2 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Intercompany receivables	14,558	1,007,705	-	-
Total	14,558	1,007,705	-	-

3 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	31,906	2,208,533	132,779	8,654,535
Total	31,906	2,208,533	132,779	8,654,535

4 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	820,892	56,822,144	820,892	53,505,741
Total	820,892	56,822,144	820,892	53,505,741

5 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(26,664)	(1,845,682)	-	-
Profit / (loss) for the year	(61,871)	(4,282,711)	(26,664)	(1,737,961)
Total	(88,535)	(6,128,393)	(26,664)	(1,737,961)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

6 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	4,990	345,408	26,225	1,709,346
Total	4,990	345,408	26,225	1,709,346

7 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Others	471	32,603	5,676	369,962
Total	471	32,603	5,676	369,962

8 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Other Statutory dues	1,996	138,163	-	-
Total	1,996	138,163	-	-

9 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest income - others	505	34,956	435	28,353
Exchange gain -Net	-	-	8,061	525,416
Total	505	34,956	8,496	553,769

10 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Exchange loss -Net	17,733	1,227,478	-	-
Legal and professional fees	44,594	3,086,797	31,974	2,084,065
Miscellaneous expenses	49	3,392	3,186	207,665
Total	62,376	4,317,667	35,160	2,291,730

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021, India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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.

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093, India. T +91 (22) 6191 5555

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: 06 MAY 2019

Tata Communications Transformation Services (US) Inc

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Current assets**					
	Financial assets					
	(i) Cash and cash equivalent	1	**37,871**	**2,621,435**	-	-
			37,871	**2,621,435**	-	-
	TOTAL ASSETS		**37,871**	**2,621,435**	-	-
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	2	**50,000**	**3,461,000**	-	-
	Other equity	3	**(21,498)**	**(1,488,103)**	**(3,665)**	**(238,884)**
	Total Equity		**28,502**	**1,972,897**	**(3,665)**	**(238,884)**
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	4	-	-	**3,665**	**238,884**
	(ii) Trade payables	5	**9,369**	**648,538**	-	-
			9,369	**648,538**	**3,665**	**238,884**
	TOTAL EQUITY AND LIABILITIES		**37,871**	**2,621,435**	-	-

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Tata Communications Transformation Services (US) Inc

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
i	Revenue from operation		-	-	-	-
ii	Other Income		-	-	-	-
iii	**Total income (i + ii)**		-	-	-	-
iv	**Expenses:**					
	(i) Operating and other expenses	6	**16,233**	**1,123,660**	**3,665**	**238,884**
	Total expenses		**16,233**	**1,123,660**	**3,665**	**238,884**
v	**Profit / (loss) before taxes (iii - iv)**		**(16,233)**	**(1,123,660)**	**(3,665)**	**(238,884)**
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		**1,600**	**110,752**	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		**1,600**	**110,752**	-	-
vii	**Profit / (loss) for the year (v-vi)**		**(17,833)**	**(1,234,412)**	**(3,665)**	**(238,884)**

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Tata Communications Transformation Services (US) Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Balance with bank	37,871	2,621,435	-	-
Total	37,871	2,621,435	-	-

2 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	50,000	3,461,000	-	-
Total	50,000	3,461,000	-	-

3 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(3,665)	(253,691)	-	-
Profit / (loss) for the year	(17,833)	(1,234,412)	(3,665)	(238,884)
Total	(21,498)	(1,488,103)	(3,665)	(238,884)

4 Current liabilities - borrowings

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Loan from bank	-	-	3,665	238,884
Total	-	-	3,665	238,884

5 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	9,369	648,538	-	-
Total	9,369	648,538	-	-

6 Other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Auditors remuneration	1,745	120,819	-	-
Legal and professional fees	12,049	834,018	-	-
Miscellaneous expenses	2,439	168,823	3,665	238,884
Total	16,233	1,123,660	3,665	238,884

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Place Mumbai
Date: 06 MAY 2019

Tata Communications Comunicacoes e Multimidia (Brazil) Limitada

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	**641,767**	**44,423,111**	124,730	8,129,901
	Capital work-in-progress		**43,718**	**3,026,160**	3,560	232,041
	Non current tax asset		**40,559**	**2,807,494**	-	-
			726,044	**50,256,765**	128,290	8,361,942
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	2	**78,304**	**5,420,203**	375,465	24,472,809
	(ii) Cash and cash equivalent	3	**228,735**	**15,833,037**	651,998	42,497,230
	(iii) Other financial assets	4	**38,621**	**2,673,346**	-	-
	Other current assets	5	**389**	**26,927**	-	-
			346,049	**23,953,513**	1,027,463	66,970,039
	TOTAL ASSETS		**1,072,093**	**74,210,278**	1,155,753	75,331,981
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	6	**770,389**	**53,326,327**	770,389	50,213,955
	Other equity	7	**10,162**	**703,414**	(1,553)	(101,224)
	Total Equity		**780,551**	**54,029,741**	768,836	50,112,731
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	8	**237,215**	**16,420,022**	316,604	20,636,249
	(ii) Other financial liabilities	9	**54,301**	**3,758,715**	-	-
	Other current liabilities	10	**26**	**1,800**	65,822	4,290,278
	Current tax liabilities (Net)		**-**	**-**	4,491	292,723
			291,542	**20,180,537**	386,917	25,219,250
	TOTAL EQUITY AND LIABILITIES		**1,072,093**	**74,210,278**	1,155,753	75,331,981

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

Tata Communications Comunicacoes e Multimidia (Brazil) Limitada

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			USD	INR*	USD	INR*
A	**CONTINUED OPERATIONS**					
i	Revenue from telecommunications services	11	**571,031**	**39,526,766**	379,959	24,765,728
ii	Other Income	12	**2,140**	**148,131**	1,726	112,501
iii	**Total income (i + ii)**		**573,171**	**39,674,897**	381,685	24,878,229
iv	**Expenses:**					
	Network and transmission expenses	13	**251,467**	**17,406,546**	32,243	2,101,599
	Operating and other expenses	14	**258,683**	**17,906,037**	336,356	21,923,684
	Depreciation and amortisation expenses		**45,332**	**3,137,881**	10,148	661,447
	Total expenses		**555,482**	**38,450,464**	378,747	24,686,730
v	**Profit / (loss) before taxes (iii - vi)**		**17,689**	**1,224,433**	2,938	191,499
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		**5,974**	**413,520**	4,491	292,723
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		**5,974**	**413,520**	4,491	292,723
ix	**Profit / (loss) for the year (vii-viii)**		**11,715**	**810,913**	(1,553)	(101,224)

*Exchange rate as at 31 March 2019 1 USD = INR 69.22 (as at 31 March 2018 1 USD = INR 65.18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	697,247	48,263,437	185,508	12,091,411
(a)	697,247	48,263,437	185,508	12,091,411
Accumulated depreciation:				
Plant and machinery	55,480	3,840,326	60,778	3,961,510
(b)	55,480	3,840,326	60,778	3,961,510
Net block (a) - (b)	641,767	44,423,111	124,730	8,129,901

2 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade receivables	37,345	2,585,021	-	-
Intercompany receivables	40,959	2,835,182	375,465	24,472,809
Total	78,304	5,420,203	375,465	24,472,809

3 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Cash in hand	3,413	236,248	-	-
Balance with bank	225,322	15,596,789	651,998	42,497,230
Total	228,735	15,833,037	651,998	42,497,230

4 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Others	38,621	2,673,346	-	-
Total	38,621	2,673,346	-	-

5 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Prepaid expenses	389	26,927	-	-
Total	389	26,927	-	-

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

6 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Equity share capital	770,389	53,326,327	770,389	50,213,955
Total	770,389	53,326,327	770,389	50,213,955

7 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(1,553)	(107,499)	-	-
Profit / (loss) for the year	11,715	810,913	(1,553)	(101,224)
Total	10,162	703,414	(1,553)	(101,224)

8 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Trade payable	237,215	16,420,022	316,604	20,636,249
Total	237,215	16,420,022	316,604	20,636,249

9 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Others	54,301	3,758,715	-	-
Total	54,301	3,758,715	-	-

10 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	USD	INR	USD	INR
Other Statutory dues	26	1,800	-	-
Others	-	-	65,822	4,290,278
Total	26	1,800	65,822	4,290,278

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

11 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Data and voice revenue	**571,031**	**39,526,766**	379,959	24,765,728
Total	**571,031**	**39,526,766**	379,959	24,765,728

12 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Interest income - others	**2,140**	**148,131**	1,726	112,501
Total	**2,140**	**148,131**	1,726	112,501

13 Network and transmission expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Charges for use of transmission facilities	**251,467**	**17,406,546**	32,243	2,101,599
Total	**251,467**	**17,406,546**	32,243	2,101,599

14 Operating and other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	USD	INR	USD	INR
Communication expenses	**121**	**8,376**	-	-
Electricity	**21,803**	**1,509,204**	-	-
Exchange loss -Net	**54,108**	**3,745,356**	13,235	862,657
Insurance expenses	**5,992**	**414,766**	10,498	684,260
Legal and professional fees	**134,097**	**9,282,194**	294,523	19,197,009
Miscellaneous expenses	**4,949**	**342,569**	5,046	328,898
Rates and Taxes	**21,907**	**1,516,403**	-	-
Rent	**11,060**	**765,573**	10,111	659,035
Repairs and Maintenance - Plant & Machinery	**4,495**	**311,144**	2,943	191,825
Services rendered by agencies	**151**	**10,452**	-	-
Total	**258,683**	**17,906,037**	336,356	21,923,684

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021, India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 2019 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.

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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: 06 MAY 2019

Tata Communications Transformation Services South Africa (Pty) Ltd

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			ZAR	INR*	ZAR	INR*
(A)	**ASSETS**					
(1)	**Current assets**					
(a)	Financial assets					
	(i) Cash and cash equivalent	1	**452,697**	**2,159,364**	655,545	3,612,054
(b)	Other current assets	2	**1,260**	**6,010**	-	-
			453,957	**2,165,374**	655,545	3,612,054
	TOTAL ASSETS		**453,957**	**2,165,374**	655,545	3,612,054
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	3	**655,550**	**3,126,974**	655,550	3,612,081
	Other equity	4	**(484,233)**	**(2,309,794)**	(92,150)	(507,748)
	Total Equity		**171,317**	**817,180**	563,400	3,104,333
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	5	**282,640**	**1,348,194**	92,146	507,721
			282,640	**1,348,194**	92,146	507,721
	TOTAL EQUITY AND LIABILITIES		**453,957**	**2,165,374**	655,545	3,612,054

*Exchange rate as at 31 March 2019 1 ZAR = INR 4.77 (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 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			ZAR	INR*	ZAR	INR*
i	Revenue from operations		-	-	-	-
ii	Other Income	6	**6,626**	**31,605**	4,667	25,714
iii	**Total income (i + ii)**		**6,626**	**31,605**	4,667	25,714
iv	**Expenses:**					
	(i) Operating and other expenses	7	**398,709**	**1,901,842**	96,817	533,463
	Total expenses		**398,709**	**1,901,842**	96,817	533,463
v	**Profit / (loss) before taxes (iii - iv)**		**(392,083)**	**(1,870,237)**	(92,150)	(507,749)
vi	**Tax expenses**					
	(i) Current tax expense		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	**Profit / (loss) for the year (v-vi)**		**(392,083)**	**(1,870,237)**	(92,150)	(507,749)

*Exchange rate as at 31 March 2019 1 ZAR = INR 4.77 (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 2019

1 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	ZAR	INR	ZAR	INR
Balance with bank	**452,697**	**2,159,364**	655,545	3,612,054
Total	**452,697**	**2,159,364**	655,545	3,612,054

2 Current assets - other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	ZAR	INR	ZAR	INR
Indirect tax receivable	**1,260**	**6,010**		-
Total	**1,260**	**6,010**	-	-

3 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	ZAR	INR	ZAR	INR
Equity share capital	**655,550**	**3,126,974**	655,550	3,612,081
Total	**655,550**	**3,126,974**	655,550	3,612,081

4 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	ZAR	INR	ZAR	INR
Surplus / (Deficit)				
Opening balance	**(92,150)**	**(439,557)**	-	-
Profit / (loss) for the year	**(392,083)**	**(1,870,237)**	(92,150)	(507,748)
Closing balance	**(484,233)**	**(2,309,794)**	(92,150)	(507,748)

5 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	ZAR	INR	ZAR	INR
Trade payable	**227,387**	**1,084,636**	36,892	203,276
Inter Company - Payables	**55,253**	**263,558**	55,253	304,445
Total	**282,640**	**1,348,194**	92,146	507,721

6 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	ZAR	INR	ZAR	INR
Interest income - others	**6,414**	**30,595**	4,667	25,714
Exchange Gain/(Loss) -Net	**212**	**1,010**	-	-
Total	**6,626**	**31,605**	4,667	25,714

7 Other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	ZAR	INR	ZAR	INR
Advertising and publicity	**115,026**	**548,673**	-	-
Auditors remuneration	**22,000**	**104,940**	-	-
Bank Charges	-	-	4,672	25,741
Legal and professional fees	**266,742**	**1,272,359**	65,305	359,829
Miscellaneous expenses	**5,325**	**25,402**	-	-
Rent	**(10,384)**	**(49,532)**	26,841	147,893
Total	**398,709**	**1,901,842**	96,817	533,463

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 MOVE B.V** ("the subsidiary") registered in Netherlands as at 31 March 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Place Mumbai
Date: 06 MAY 2019

Tata Communications MOVE B.V

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019	
			EURO	INR*
(A)	**ASSETS**			
(1)	**Non-current assets**			
	Property, plant and equipment	1	2,232,089	173,257,873
	Other intangible assets	2	29,492	2,289,210
			2,261,581	175,547,083
(2)	**Current assets**			
	Financial assets			
	(i) Trade receivables	3	20,225,613	1,569,940,397
	(ii) Cash and cash equivalent	4	88,466	6,866,855
	Current tax assets (Net)		179,140	13,905,098
	Other current assets	5	518,766	40,267,343
			21,011,985	1,630,979,693
	TOTAL ASSETS		23,273,566	1,806,526,776
(B)	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	Equity share capital	6	33,684	2,614,599
	Other equity	7	21,389,450	1,660,279,054
	Total Equity		21,423,134	1,662,893,653
(2)	**Non-current liabilities**			
	Deferred tax liabilities (Net)		9,519	738,878
			9,519	738,878
(3)	**Current liabilities**			
	Financial liabilities			
	(i) Borrowings	8	1,015,000	78,785,721
	(ii) Trade payables	9	684,702	53,147,528
	(iii) Other current liabilities	10	141,211	10,960,996
			1,840,913	142,894,245
	TOTAL EQUITY AND LIABILITIES		23,273,566	1,806,526,776

*Exchange rate as at 31 March 2019 1 EURO = 77.62 INR

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Tata Communications MOVE B.V

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19	
			EURO	INR*
i	Revenue from operations	11	1,489,063	115,583,155
ii	Other Income	12	13,839,340	1,074,228,946
iii	**Total income (i + ii)**		15,328,403	1,189,812,101
iv	**Expenses:**			
	Network and transmission expenses	13	531,389	41,247,158
	Operating and other expenses	14	268,438	20,836,534
	Finance costs	15	18,648	1,447,484
	Depreciation and amortisation expenses		592,956	46,026,075
	Total expenses		1,411,431	109,557,251
v	**Profit / (loss) before taxes (iii - iv)**		13,916,972	1,080,254,850
vi	**Tax expenses**			
	(i) Current tax expense		-	-
	(ii) Deferred tax expense/(benefit)		-	-
	Net tax expenses		-	-
vii	**Profit / (loss) for the year (v-vi)**		13,916,972	1,080,254,850

*Exchange rate as at 31 March 2019 1 EURO = 77.62 INR

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Tata Communications MOVE B.V

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars		As at 31 March 2019	
		EURO	INR
Gross block:			
Cables		662,281	51,407,178
Plant and machinery		9,130,785	708,744,315
	(a)	9,793,066	760,151,493
Accumulated depreciation:			
Cables		662,281	51,407,178
Plant and machinery		6,898,696	535,486,442
	(b)	7,560,977	586,893,620
Net block	(a) - (b)	2,232,089	173,257,873

2 Other intangible assets

Particulars		As at 31 March 2019	
		EURO	INR
Gross block:			
Computer software		866,618	67,268,102
	(a)	866,618	67,268,102
Accumulated amortisation:			
Computer software		837,126	64,978,892
	(b)	837,126	64,978,892
Net block	(a) - (b)	29,492	2,289,210

3 Trade receivables

Particulars	As at 31 March 2019	
	EURO	INR*
Intercompany receivables	20,225,613	1,569,940,397
Total	20,225,613	1,569,940,397

4 Cash and cash equivalents

Particulars	As at 31 March 2019	
	EURO	INR
Balance with bank	88,466	6,866,855
Total	88,466	6,866,855

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

5 Current assets - other assets

Particulars	As at 31 March 2019	
	EURO	INR
Prepaid expenses	393,752	30,563,581
Indirect tax receivable	125,014	9,703,762
Total	**518,766**	**40,267,343**

6 Equity share capital

Particulars	As at 31 March 2019	
	EURO	INR
Equity share capital	33,684	2,614,599
Total	**33,684**	**2,614,599**

7 Other Equity

Particulars	As at 31 March 2019	
	EURO	INR
Surplus / (Deficit)		
Opening balance	(7,163,668)	(556,053,939)
Profit for the year	13,916,972	1,080,254,850
Closing balance	**6,753,304**	**524,200,911**
Share premium	14,636,146	1,136,078,143
Total	**21,389,450**	**1,660,279,054**

8 Current liabilities - borrowings

Particulars	As at 31 March 2019	
	EURO	INR
Inter company loans taken	1,015,000	78,785,721
Total	**1,015,000**	**78,785,721**

9 Current liabilities - Trade payables

Particulars	As at 31 March 2019	
	EURO	INR
Trade payable	684,702	53,147,528
Total	**684,702**	**53,147,528**

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

10 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019	
	EURO	INR
Interest accrued but not due	10,833	840,873
Others	130,378	10,120,123
Total	141,211	10,960,996

11 Revenue from operations

Particulars	Current year 2018-19	
	EURO	INR
Data and voice revenue	1,489,063	115,583,155
Total	1,489,063	115,583,155

12 Other income

Particulars	Current year 2018-19	
	EURO	INR
Net gain on sale of investments	13,839,340	1,074,228,946
Total	13,839,340	1,074,228,946

13 Network and transmission expenses

Particulars	Current year 2018-19	
	EURO	INR
Charges for use of transmission facilities	531,389	41,247,158
Total	531,389	41,247,158

14 Other expenses

Particulars	Current year 2018-19	
	EURO	INR
Communication expenses	710	55,111
Exchange loss -Net	5,485	425,753
IT consumables	(25,975)	(2,016,216)
Legal and professional fees	49,324	3,828,598
Miscellaneous expenses	13,864	1,076,146
Insurance expenses	8,887	689,820
Repairs and Maintenance Plant & Machinery	204,824	15,898,725
Seminars, trainings and conferences	11,319	878,596
Total	268,438	20,836,534

15 Finance costs

Particulars	Current year 2018-19	
	EURO	INR
Interest expenses	18,648	1,447,484
Total	18,648	1,447,484

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021, India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 MOVE Nederland B.V.** ("the subsidiary") registered in Netherlands as at 31 March 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093, India T +91 (22) 6191 5555

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: 06 MAY 2019

Tata Communications MOVE Nederland B.V.

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019	
			EURO	INR*
(A)	**ASSETS**			
(1)	**Non-current assets**			
	Property, plant and equipment	1	174,347	13,533,058
	Capital work-in-progress		61,625	4,783,419
	Goodwill		15,000	1,164,321
			250,972	19,480,798
(2)	**Current assets**			
	(i) Trade receivables	2	1,524,222	118,312,246
	(ii) Cash and cash equivalent	3	1,649,619	128,045,736
	(iii) Other financial assets	4	65,630	5,094,292
	Other current assets	5	273,798	21,252,584
			3,513,269	272,704,858
	TOTAL ASSETS		3,764,241	292,185,656
(B)	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	Equity share capital	6	18,000	1,397,185
	Other equity	7	(5,967,510)	(463,206,480)
	Total Equity		(5,949,510)	(461,809,295)
(2)	**Non-current liabilities**			
	Provisions	8	76,590	5,945,023
			76,590	5,945,023
(3)	**Current liabilities**			
	Financial liabilities			
	(i) Borrowings	9	3,003,000	233,097,064
	(ii) Trade payables	10	5,376,205	417,308,558
	(iii) Other financial liabilities	11	77,935	6,049,424
	Other current liabilities	12	1,180,021	91,594,882
			9,637,161	748,049,928
	TOTAL EQUITY AND LIABILITIES		3,764,241	292,185,656

*Exchange rate as at 31 March 2019 1 EURO = 77.62 INR

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Tata Communications MOVE Nederland B.V.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19	
			EURO	INR*
i	Revenue from operations	13	8,656,321	671,915,755
ii	Other Income	14	44,190	3,430,090
iii	**Total income (i + ii)**		8,700,511	675,345,845
iv	**Expenses:**			
	Network and transmission expenses	15	2,416,163	187,545,955
	Employee benefits expenses	16	3,307,199	256,709,417
	Operating and other expenses	17	2,665,181	206,875,079
	Finance costs	18	53,192	4,128,838
	Depreciation and amortisation expenses		45,472	3,529,600
	Total expenses		8,487,207	658,788,889
v	**Profit before taxes (iii-iv)**		213,304	16,556,956
vi	**Tax expenses**			
	(i) Current tax expense/(benefit)		-	-
	(ii) Deferred tax expense/(benefit)		-	-
	Net tax expenses		-	-
vii	**Profit for the year (v-vi)**		213,304	16,556,956

*Exchange rate as at 31 March 2019 1 EURO = 77.62 INR

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Tata Communications MOVE Nederland B.V.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019	
	EURO	INR
Gross block:		
Lease hold improvement	76,589	5,944,945
Furniture and fixtures	341,479	26,506,078
(a)	418,068	32,451,023
Accumulated depreciation:		
Lease hold improvement	-	-
Furniture and fixtures	243,721	18,917,965
(b)	243,721	18,917,965
Net block (a) - (b)	174,347	13,533,058

2 Trade receivables

Particulars	As at 31 March 2019	
	EURO	INR
Trade receivables	1,977,809	153,520,304
Provision for doubtful debts	(453,587)	(35,208,058)
Total	1,524,222	118,312,246

3 Cash and cash equivalents

Particulars	As at 31 March 2019	
	EURO	INR
Balance with bank	1,649,619	128,045,736
Total	1,649,619	128,045,736

4 Current assets - other financial assets

Particulars	As at 31 March 2019	
	EURO	INR
Security Deposit	65,630	5,094,292
Total	65,630	5,094,292

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

5 Current assets - other assets

Particulars	As at 31 March 2019	
	EURO	INR
Prepaid expenses	54,470	4,228,038
Indirect tax receivable	219,328	17,024,546
Total	**273,798**	**21,252,584**

6 Equity share capital

Particulars	As at 31 March 2019	
	EURO	INR
Equity share capital	18,000	1,397,185
Total	**18,000**	**1,397,185**

7 Other Equity

Particulars	As at 31 March 2019	
	EURO	INR
Surplus / (Deficit)		
Opening balance	(6,180,814)	(479,763,436)
Profit for the year	213,304	16,556,956
Total	**(5,967,510)**	**(463,206,480)**

8 Non-current liabilities - provisions

Particulars	As at 31 March 2019	
	EURO	INR
Asset retirement obligation and others	76,590	5,945,023
Total	**76,590**	**5,945,023**

9 Current liabilities - borrowings

Particulars	As at 31 March 2019	
	EURO	INR
Inter company loans taken	3,003,000	233,097,064
Total	**3,003,000**	**233,097,064**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

10 Current liabilities - Trade payables

Particulars	As at 31 March 2019	
	EURO	INR
Trade payable	2,093,977	162,537,426
Inter Company - Payables	3,282,228	254,771,132
Total	5,376,205	417,308,558

11 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019	
	EURO	INR
Deposit from customers and contractors	25,000	1,940,535
Interest accrued but not due	52,935	4,108,889
Total	77,935	6,049,424

12 Current liabilities - other current liabilities

Particulars	Current year 2018-19	
	EURO	INR
Deferred revenue and advance from	426,207	33,082,784
Other Employee dues	753,814	58,512,098
Total	1,180,021	91,594,882

13 Revenue from operations

Particulars	Current year 2018-19	
	EURO	INR
Data and voice revenue	8,656,321	671,915,755
Total	8,656,321	671,915,755

14 Other income

Particulars	Current year 2018-19	
	EURO	INR
Miscellaneous income	44,190	3,430,090
Total	44,190	3,430,090

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

15 Network and transmission expenses

Particulars	Current year 2018-19	
	EURO	INR
Charges for use of transmission facilities	2,416,163	187,545,955
Total	2,416,163	187,545,955

16 Employee benefit expenses

Particulars	Current year 2018-19	
	USD	INR
Salaries, bonus and allowances	3,276,337	254,313,865
Staff welfare expenses	30,862	2,395,552
Total	3,307,199	256,709,417

17 Other expenses

Particulars	Current year 2018-19	
	EURO	INR
Advertising and publicity	38,141	2,960,558
Communication expenses	(25,097)	(1,948,064)
Entertainment expenses	21,435	1,663,815
Exchange loss -Net	29,465	2,287,115
Insurance expenses	16,455	1,277,260
IT consumables	73,536	5,707,967
Legal and professional fees	1,801,265	139,816,711
Miscellaneous expenses	47,545	3,690,509
Provision for doubtful debts	111,840	8,681,177
Recruitment expenses	60,000	4,657,284
Rent	84,573	6,564,675
Repairs and Maintenance Plant & Machinery	56,602	4,393,526
Repairs and Maintenance -Building	4,658	361,560
Seminars, trainings and conferences	38,702	3,004,103
Services rendered by agencies	60,000	4,657,284
Travelling and conveyance expenses	246,061	19,099,599
Total	2,665,181	206,875,079

18 Finance costs

Particulars	Current year 2018-19	
	EURO	INR
Interest expenses	53,192	4,128,838
Total	53,192	4,128,838

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021, India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 MOVE UK Limited** ("the subsidiary") registered in England and Wales as at 31 March 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093, India. T +91 (22) 6191 5555

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: 06 MAY 2019

Tata Communications MOVE UK Ltd

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019	
			GBP	INR*
(A)	**ASSETS**			
(1)	**Current assets**			
	Financial assets			
	(i) Trade receivables	1	60,161	54,25,464
	(ii) Cash and cash equivalent	2	24,831	22,39,319
	Other current assets	3	788	71,064
			85,780	77,35,847
	TOTAL ASSETS		85,780	77,35,847
(B)	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	Equity share capital	4	100	9,018
	Other equity	5	42,873	38,66,391
	Total Equity		42,973	38,75,409
(3)	**Current liabilities**			
	Financial liabilities			
	(i) Borrowings	6	40,000	36,07,296
	(ii) Other current liabilities	7	707	63,759
	Current tax liabilities (Net)		2,100	1,89,383
			42,807	38,60,438
	TOTAL EQUITY AND LIABILITIES		85,780	77,35,847

*Exchange rate as at 31 March 2019 1 GBP = 90.18 INR

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Tata Communications MOVE UK Ltd

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19	
			GBP	INR*
i	Revenue from operations	8	71,507	6,448,674
	Total income		71,507	6,448,674
ii	**Expenses:**			
	Network and transmission expenses	9	60,008	5,411,666
	Operating and other expenses	10	11,259	1,015,364
	Finance costs	11	707	63,759
	Total expenses		71,974	6,490,789
iii	**Profit / (loss) before taxes (i - ii)**		(467)	(42,115)
iv	**Tax expenses**			
	(i) Current tax expense/(benefit)		-	-
	(ii) Deferred tax expense/(benefit)		-	-
	Net tax expenses		-	-
vii	**Profit / (loss) for the year (iv-v)**		(467)	(42,115)

*Exchange rate as at 31 March 2019 1 GBP = 90.18 INR

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Trade receivables

Particulars	As at 31 March 2019	
	GBP	INR
Trade receivables	33,635	30,33,285
Intercompany receivables	27,822	25,09,055
Provision for doubtful debts	(1,296)	(1,16,876)
Total	60,161	54,25,464

2 Cash and cash equivalents

Particulars	As at 31 March 2019	
	GBP	INR
Balance with bank	24,831	22,39,319
Total	24,831	22,39,319

3 Current assets - other assets

Particulars	As at 31 March 2019	
	GBP	INR
Indirect tax receivable	788	71,064
Total	788	71,064

4 Equity share capital

Particulars	As at 31 March 2019	
	GBP	INR
Equity share capital	100	9,018
Total	100	9,018

5 Other Equity

Particulars	As at 31 March 2019	
	GBP	INR
Surplus / (Deficit)		
Opening balance	43,340	39,08,506
Profit / (loss) for the year	(467)	(42,115)
Total	42,873	38,66,391

6 Current liabilities - borrowings

Particulars	As at 31 March 2019	
	GBP	INR
Inter company loans taken	40,000	36,07,296
Total	**40,000**	**36,07,296**

7 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019	
	GBP	INR
Interest accrued but not due	707	63,759
Total	**707**	**63,759**

8 Revenue from operations

Particulars	Current year 2018-19	
	GBP	INR
Data and voice revenue	71,507	64,48,674
Total	**71,507**	**64,48,674**

9 Network and transmission expenses

Particulars	Current year 2018-19	
	GBP	INR
Charges for use of transmission facilities	60,008	54,11,666
Total	**60,008**	**54,11,666**

10 Other expenses

Particulars	Current year 2018-19	
	GBP	INR
Exchange loss -Net	1,023	92,257
Legal and professional fees	4,871	4,39,279
Miscellaneous expenses	3,070	2,76,860
Provision for doubtful debts	1,296	1,16,876
Seminars, trainings and conferences	999	90,092
Total	**11,259**	**10,15,364**

11 Finance costs

Particulars	Current year 2018-19	
	GBP	INR
Interest expenses	707	63,759
Total	**707**	**63,759**

Suresh Surana & Associates LLP
Chartered Accountants

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021, India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 MOVE Singapore Pte. Ltd** ("the subsidiary") registered in Singapore as at 31 March 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093, India. T +91 (22) 6191 5555

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

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Place Mumbai
Date: 06 MAY 2019

Tata Communications MOVE Singapore Pte. Ltd

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019	
			SGD	INR*
(A)	**ASSETS**			
(1)	**Non-current assets**			
	Property, plant and equipment	1	**168,589**	**8,607,914**
			168,589	**8,607,914**
(2)	**Current assets**			
(a)	Financial assets			
	(i) Cash and cash equivalent	2	**68,612**	**3,503,231**
(b)	Other current assets	3	**4,530**	**231,295**
			73,142	**3,734,526**
	TOTAL ASSETS		**241,731**	**12,342,440**
(B)	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	Equity share capital	4	**50,000**	**2,552,929**
	Other equity	5	**(91,589)**	**(4,676,402)**
	Total Equity		**(41,589)**	**(2,123,473)**
(2)	**Current liabilities**			
	Financial liabilities			
	(i) Trade payables	6	**282,663**	**14,432,368**
	(ii) Other current liabilities	7	**657**	**33,545**
			283,320	**14,465,913**
	TOTAL EQUITY AND LIABILITIES		**241,731**	**12,342,440**

*Exchange rate as at 31 March 2019 1 SGD = 51.06 INR

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Tata Communications MOVE Singapore Pte. Ltd

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19	
			SGD	INR*
i	Revenue from operations	8	316,074	16,138,286
			316,074	16,138,286
ii	**Expenses:**			
	Network and transmission expenses	9	107,235	5,475,266
	Operating and other expenses	10	47,471	2,423,800
	Finance costs	11	657	33,545
	Depreciation and amortisation expenses		152,565	7,789,751
	Total expenses		307,928	15,722,362
iii	**Profit before taxes (i-ii)**		8,146	415,924
iv	**Tax expenses**			
	(i) Current tax expense		-	-
	(ii) Deferred tax expense/(benefit)		-	-
	Net tax expenses		-	-
v	**Profit for the year (iii-iv)**		8,146	415,924

*Exchange rate as at 31 March 2019 1 SGD = 51.06 INR

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Tata Communications MOVE Singapore Pte. Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019	
	SGD	INR
Gross block:		
Plant and machinery	494,087	25,227,376
(a)	494,087	25,227,376
Accumulated depreciation:		
Plant and machinery	325,498	16,619,462
(b)	325,498	16,619,462
Net block (a) - (b)	168,589	8,607,914

2 Cash and cash equivalents

Particulars	As at 31 March 2019	
	SGD	INR
Balance with bank	68,612	3,503,231
Total	68,612	3,503,231

3 Current assets - other assets

Particulars	As at 31 March 2019	
	SGD	INR
Prepaid expenses	4,530	231,295
Total	4,530	231,295

4 Equity share capital

Particulars	As at 31 March 2019	
	SGD	INR
Equity share capital	50,000	2,552,929
Total	50,000	2,552,929

5 Other Equity

Particulars	As at 31 March 2019	
	SGD	INR
Surplus / (Deficit)		
Opening balance	(99,735)	(5,092,326)
Profit for the year	8,146	415,924
Total	(91,589)	(4,676,402)

6 Current liabilities - Trade payables

Particulars	As at 31 March 2019	
	SGD	INR
Trade payable	26,298	1,342,738
Inter Company - Payables	256,365	13,089,630
Total	**282,663**	**14,432,368**

7 Current liabilities - other financial liabilities

Particulars	As at 31 March 2019	
	SGD	INR
Interest accrued but not due	657	33,545
Total	**657**	**33,545**

8 Revenue from operations

Particulars	Current year 2018-19	
	SGD	INR
Data and voice revenue	316,074	16,138,286
Total	**316,074**	**16,138,286**

9 Network and transmission expenses

Particulars	Current year 2018-19	
	SGD	INR
Charges for use of transmission facilities	107,235	5,475,266
Total	**107,235**	**5,475,266**

10 Other expenses

Particulars	Current year 2018-19	
	SGD	INR
Exchange loss -Net	1,186	60,555
Legal and professional fees	38,719	1,976,937
Miscellaneous expenses	7,566	386,308
Total	**47,471**	**2,423,800**

11 Finance costs

Particulars	Current year 2018-19	
	SGD	INR
Interest expenses	657	33,545
Total	**657**	**33,545**

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021, India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 MuCoSO B.V.** ("the subsidiary") registered in Netherlands as at 31 March 2019 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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093, India. T +91 (22) 6191 5555

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: 06 MAY 2019

Tata Communications MuCoSO B.V.

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019	
			EURO	INR*
(A)	**ASSETS**			
(1)	**Current assets**			
	Financial assets			
	(i) Trade receivables	1	3,526	273,693
	(ii) Cash and cash equivalent	2	8,353	648,372
			11,879	922,065
	TOTAL ASSETS		11,879	922,065
(B)	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	Equity share capital	3	18,000	1,397,185
	Other equity	4	(18,390)	(1,427,457)
	Total Equity		(390)	(30,272)
(2)	**Current liabilities**			
	Financial liabilities			
	(i) Trade payables	5	11,951	927,653
	Other current liabilities	6	318	24,684
			12,269	952,337
	TOTAL EQUITY AND LIABILITIES		11,879	922,065

*Exchange rate as at 31 March 2019 1 EURO = 77.62 INR

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Tata Communications MuCoSO B.V.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19	
			EURO	INR*
i	Revenue from operations	7	9,944	771,867
ii	Other Income	8	2	155
iii	**Total income (i + ii)**		9,946	772,022
iv	**Expenses:**			
	Network and transmission expenses	9	365	28,332
	Operating and other expenses	10	9,276	720,015
	Total expenses		9,641	748,347
v	**Profit before taxes (iii - iv)**		305	23,675
vi	**Tax expenses**			
	(i) Current tax expense/(benefit)		-	-
	(ii) Deferred tax expense/(benefit)		-	-
	Net tax expenses		-	-
vii	**Profit for the year (v-vi)**		305	23,675

*Exchange rate as at 31 March 2019 1 EURO = 77.62 INR

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Tata Communications MuCoSO B.V.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Trade receivables

Particulars	As at 31 March 2019	
	EURO	INR
Intercompany receivables	3,526	273,693
Total	**3,526**	**273,693**

2 Cash and cash equivalents

Particulars	As at 31 March 2019	
	EURO	INR
Balance with bank	8,353	648,372
Total	**8,353**	**648,372**

3 Equity share capital

Particulars	As at 31 March 2019	
	EURO	INR
Equity share capital	18,000	1,397,185
Total	**18,000**	**1,397,185**

4 Other Equity

Particulars	As at 31 March 2019	
	EURO	INR
Surplus / (Deficit)		
Opening balance	(18,695)	(1,451,132)
Profit for the year	305	23,675
Closing balance	(18,390)	(1,427,457)
Total	(18,390)	(1,427,457)

5 Current liabilities - Trade payables

Particulars	As at 31 March 2019	
	EURO	INR
Trade payable	11,951	927,653
Total	**11,951**	**927,653**

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

6 Current liabilities - other current liabilities

Particulars	As at 31 March 2019	
	EURO	INR
Other Statutory dues	318	24,684
Total	318	24,684

7 Revenue from operations

Particulars	Current year 2018-19	
	EURO	INR
Data and voice revenue	9,944	771,867
Total	9,944	771,867

8 Other income

Particulars	Current year 2018-19	
	EURO	INR
Exchange gain -Net	2	155
Total	2	155

9 Network and transmission expenses

Particulars	Current year 2018-19	
	EURO	INR
Charges for use of transmission facilities	365	28,332
Total	365	28,332

10 Other expenses

Particulars	Current year 2018-19	
	EURO	INR
Legal and professional fees	8,466	657,143
Miscellaneous expenses	810	62,873
Total	9,276	720,015

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 **UNITED TELECOM LTD.** ("the associate") registered in Kathmandu as at 31 March 2019 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;

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
MUMBAI

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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: 06 MAY 2019

UNITED TELECOM LIMITED

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
			NPR	INR*	NPR	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	76,827,900	48,017,438	78,994,308	49,371,442
	Capital work-in-progress		1,465,048	915,655	1,465,048	915,655
	Other intangible assets	2	334,294,803	208,934,252	362,315,855	226,447,409
			412,587,751	257,867,344	442,775,210	276,734,506
(2)	**Current assets**					
	Inventories		37,376,208	23,360,130	37,421,183	23,388,240
	Financial assets					
	(i) Trade receivables	3	87,845,129	54,903,206	88,949,786	55,593,616
	(ii) Cash and cash equivalent	4	2,322,895	1,451,809	20,925,225	13,078,266
	(iii) Other financial assets	5	221,874,774	138,671,734	224,291,373	140,182,108
			349,419,006	218,386,879	371,587,567	232,242,229
	TOTAL ASSETS		762,006,757	476,254,223	814,362,776	508,976,735
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	6	4,593,506,533	2,870,941,583	4,562,009,533	2,851,255,958
	Other equity	7	(5,285,646,208)	(3,303,528,880)	(4,350,654,466)	(2,719,159,041)
	Total Equity		(692,139,675)	(432,587,297)	211,355,067	132,096,917
(2)	**Non-current liabilities**					
	Deferred tax liabilities (Net)		12,227,754	7,642,346	22,947,337	14,342,086
			12,227,754	7,642,346	22,947,337	14,342,086
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	8	1,419,256,268	887,035,168	557,363,962	348,352,476
	Other current liabilities	9	22,662,410	14,164,006	22,696,410	14,185,256
			1,441,918,678	901,199,174	580,060,372	362,537,732
	TOTAL EQUITY AND LIABILITIES		762,006,757	476,254,223	814,362,776	508,976,735

*Exchange rate as at 31 March 2019 1 NPR = INR 0.625 (as at 31 March 2018 1 NPR = INR 0.625)

UNITED TELECOM LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19		Previous year 2017-18	
			NPR	INR*	NPR	INR*
i	Revenue from telecommunications services	10	3,208,314	2,005,196	30,005,566	18,753,479
ii	Other Income	11	-	-	3,924,747	2,452,967
iii	**Total income (i + ii)**		3,208,314	2,005,196	33,930,314	21,206,446
iv	**Expenses:**					
	(i) Network and transmission expenses	12	765,476,764	478,422,978	572,353,722	357,721,076
	(ii) Employee benefits expenses	13	19,396,368	12,122,730	29,398,007	18,373,754
	(iii) Operating and other expenses	14	65,837,360	41,148,350	98,418,172	61,511,358
	(iv) Depreciation and amortisation expenses		98,209,148	61,380,718	281,004,067	175,627,542
	Total expenses		948,919,640	593,074,775	981,173,967	613,233,729
v	**Profit / (loss) before taxes (iii -iv)**		(945,711,326)	(591,069,579)	(947,243,653)	(592,027,283)
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		(10,719,584)	(6,699,740)	-	-
	Net tax expenses		(10,719,584)	(6,699,740)	-	-
vii	**Profit / (loss) for the year (v-vi)**		(934,991,742)	(584,369,839)	(947,243,653)	(592,027,283)

*Exchange rate as at 31 March 2019 1 NPR = INR 0.625 (as at 31 March 2018 1 NPR = INR 0.625)

UNITED TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Property, plant and equipment

Particulars	As at 31 March 2019		As at 31 March 2018	
	NPR	INR	NPR	INR
Gross block:				
Land	**9,406,115**	**5,878,822**	9,406,115	5,878,822
Plant and machinery	**1,787,755,174**	**1,117,346,984**	1,787,755,174	1,117,346,984
Furniture and fixtures	**38,847,311**	**24,279,569**	38,847,311	24,279,569
Computers	**28,284,425**	**17,677,766**	28,284,425	17,677,765
Office equipment	**42,330,380**	**26,456,488**	42,330,380	26,456,487
Vehicles	**18,140,866**	**11,338,041**	18,140,866	11,338,041
(a)	**1,924,764,271**	**1,202,977,669**	1,924,764,271	1,202,977,669
Accumulated depreciation:				
Plant and machinery	**1,730,493,814**	**1,081,558,634**	1,725,787,684	1,078,617,303
Furniture and fixtures	**38,103,880**	**23,814,925**	38,103,880	23,814,925
Computers	**27,955,082**	**17,471,926**	27,955,082	17,471,926
Office equipment	**36,894,372**	**23,058,983**	36,894,372	23,058,983
Vehicles	**14,489,223**	**9,055,764**	17,028,944	10,643,090
(b)	**1,847,936,371**	**1,154,960,232**	1,845,769,963	1,153,606,227
Net block (a) - (b)	**76,827,900**	**48,017,438**	78,994,308	49,371,442

2 Other intangible assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	NPR	INR	NPR	INR
Gross block:				
License Fees	**667,787,244**	**417,367,028**	617,476,744	385,922,965
(a)	**667,787,244**	**417,367,028**	617,476,744	385,922,965
Accumulated amortisation:				
License Fees	**333,492,441**	**208,432,776**	255,160,889	159,475,556
(b)	**333,492,441**	**208,432,776**	255,160,889	159,475,556
Net block (a) - (b)	**334,294,803**	**208,934,252**	362,315,855	226,447,409

3 Trade receivables

Particulars	As at 31 March 2019		As at 31 March 2018	
	NPR	INR	NPR	INR
Trade receivables	**558,136,347**	**348,835,217**	556,687,806	347,929,879
Provision for doubtful debts	**(470,291,218)**	**(293,932,011)**	(467,738,021)	(292,336,263)
Total	**87,845,129**	**54,903,206**	88,949,786	55,593,616

4 Cash and cash equivalents

Particulars	As at 31 March 2019		As at 31 March 2018	
	NPR	INR	NPR	INR
Balance with bank	**2,322,895**	**1,451,809**	20,925,225	13,078,266
Total	**2,322,895**	**1,451,809**	20,925,225	13,078,266

5 Current assets - other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	NPR	INR	NPR	INR
Security Deposit	**220,944,130**	**138,090,081**	223,258,393	139,536,496
Others	**930,644**	**581,653**	1,032,980	645,612
Total	**221,874,774**	**138,671,734**	224,291,373	140,182,108

6 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	NPR	INR	NPR	INR
Equity share capital	4,593,506,533	2,870,941,583	4,562,009,533	2,851,255,958
Total	4,593,506,533	2,870,941,583	4,562,009,533	2,851,255,958

7 Other Equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	NPR	INR	NPR	INR
Surplus / (Deficit)				
Opening balance	(4,350,654,466)	(2,719,159,041)	(3,403,410,812)	############
Profit / (loss) for the year	(934,991,742)	(584,369,839)	(947,243,653)	(592,027,283)
Closing balance	(5,285,646,208)	(3,303,528,880)	(4,350,654,466)	############

8 Current liabilities - Trade payables

Particulars	As at 31 March 2019		As at 31 March 2018	
	NPR	INR	NPR	INR
Payable for capital and other supplies	1,419,256,268	887,035,168	557,363,962	348,352,476
Total	1,419,256,268	887,035,168	557,363,962	348,352,476

9 Current liabilities - other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	NPR	INR	NPR	INR
Deferred revenue and advance from customers	22,662,410	14,164,006	22,696,410	14,185,256
Total	22,662,410	14,164,006	22,696,410	14,185,256

10 Revenue from operations

Particulars	Current year 2018-19		Previous year 2017-18	
	NPR	INR	NPR	INR
Data and voice revenue	3,208,314	2,005,196	30,005,566	18,753,479
Total	3,208,314	2,005,196	30,005,566	18,753,479

11 Other income

Particulars	Current year 2018-19		Previous year 2017-18	
	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

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

12 Network costs

Particulars	Current year 2018-19		Previous year 2017-18	
	NPR	INR	NPR	INR
Charges for use of transmission facilities	765,476,764	478,422,978	572,353,722	357,721,076
Total	765,476,764	478,422,978	572,353,722	357,721,076

13 Employee benefit expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	NPR	INR	NPR	INR
Salaries, bonus and allowances	19,351,187	12,094,492	28,175,057	17,609,410
Staff welfare expenses	45,181	28,238	1,222,950	764,344
Total	19,396,368	12,122,730	29,398,007	18,373,754

14 Other expenses

Particulars	Current year 2018-19		Previous year 2017-18	
	NPR	INR	NPR	INR
Advertising and publicity	2,338,966	1,461,854	228,723	142,952
Communication expenses	748,066	467,541	1,513,120	945,700
Exchange (Gain)/Loss -Net	1,103,076	689,423	-	-
Insurance expenses	134,297	83,936	2,964,840	1,853,025
Miscellaneous expenses	9,772,291	6,107,682	17,262,761	10,789,226
Printing and stationery	55,231	34,519	99,651	62,282
Provision for doubtful debts	2,553,198	1,595,749	1,043,521	652,200
Rent	25,060,792	15,662,995	26,572,492	16,607,807
Repairs and Maintenance - IT systems	4,387,150	2,741,969	24,342,973	15,214,358
Security charges	17,913,392	11,195,870	19,032,979	11,895,612
Travelling and conveyance expenses	1,770,901	1,106,813	5,357,111	3,348,195
Total	65,837,360	41,148,350	98,418,172	61,511,358

Suresh Surana & Associates LLP
13th Floor, Bakhtawar
229, Nariman Point
Mumbai - 400 021. India
T +91 (22) 2287 5770
emails@ss-associates.com www.ss-associates.com
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 **Smart ICT Services Private Limited** ("the associate") registered in India as at 31 March 2019 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.

Registered Office:
308-309, Technopolis Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5555

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: 06 MAY 2019

SMART ICT SERVICES PRIVATE LIMITED

BALANCE SHEET AS AT 31 MARCH 2019

	Particulars	Note No.	As at 31 March 2019 INR	As at 31 March 2018 INR
(A)	**ASSETS**			
(1)	**Non-current assets**			
	Non current tax asset		**350,915**	38,384
			350,915	38,384
(2)	**Current assets**			
	Financial assets			
	(i) Trade receivables	1	**3,911,394**	2,711,813
	(ii) Cash and cash equivalent	2	**485,865**	103,654
	Other current assets	3	**347,111**	1,002,908
			4,744,370	3,818,375
	TOTAL ASSETS		**5,095,285**	3,856,759
(B)	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	Equity share capital	4	**500,000**	500,000
	Other equity	5	**(9,522,803)**	(9,029,947)
	Total Equity		**(9,022,803)**	(8,529,947)
(2)	**Non-current liabilities**			
	Financial liabilities			
	(i) Borrowings	6	**1,000,000**	-
	(ii) Other financial liabilities	7	**9,550,000**	9,550,000
			10,550,000	9,550,000
(2)	**Current liabilities**			
	Financial liabilities			
	(i) Trade payables	8	**3,209,074**	2,836,706
	Other current liabilities		**359,014**	-
			3,568,088	2,836,706
	TOTAL EQUITY AND LIABILITIES		**5,095,285**	3,856,759

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

SMART ICT SERVICES PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Particulars	Note No.	Current year 2018-19	Previous year 2017-18
			INR	INR
i	Revenue from telecommunications services	9	**5,704,734**	4,259,256
ii	Other Income	10	-	19,637
iii	**Total income (i + ii)**		**5,704,734**	4,278,892
iv	**Expenses:**			
	(i) Network and transmission expenses	11	**5,249,761**	3,885,715
	(ii) Operating and other expenses	12	**944,289**	965,884
	(iii) Finance costs	13	**3,540**	4,516
	Total expenses		**6,197,590**	4,856,114
v	**Profit / (loss) before taxes (iii - iv)**		**(492,856)**	(577,222)
vi	**Tax expenses**			
	(i) Current tax expense/(benefit)		-	-
	(ii) Deferred tax expense/(benefit)		-	-
	Net tax expenses		-	-
vii	**Profit / (loss) for the year (v-vi)**		**(492,856)**	(577,222)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

SMART ICT SERVICES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Trade receivables

Particulars	As at 31 March 2019	As at 31 March 2018
	INR	INR
Trade receivables	**3,911,394**	2,711,813
Total	**3,911,394**	2,711,813

2 Cash and cash equivalents

Particulars	As at 31 March 2019	As at 31 March 2018
	INR	INR
Balance with bank	**485,865**	103,654
Total	**485,865**	103,654

3 Current assets - other assets

Particulars	As at 31 March 2019	As at 31 March 2018
	INR	INR
Indirect tax receivable	**347,111**	1,002,908
Total	**347,111**	1,002,908

4 Equity share capital

Particulars	As at 31 March 2019	As at 31 March 2018
	INR	INR
Equity share capital	**500,000**	500,000
Total	**500,000**	500,000

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

SMART ICT SERVICES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

5 Other Equity

Particulars	As at 31 March 2019	As at 31 March 2018
	INR	INR
Surplus / (Deficit)		
Opening balance	**(9,029,947)**	(8,452,725)
Profit / (loss) for the year	**(492,856)**	(577,222)
Closing balance	**(9,522,803)**	(9,029,947)

6 Non-current liabilities - borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
	INR	INR
Unsecured borrowings - Inter company loans taken	**1,000,000**	-
Total	**1,000,000**	-

7 Non-current liabilities - other financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
	INR	INR
Preference Share Capital	**9,550,000**	9,550,000
Total	**9,550,000**	9,550,000

8 Current liabilities - Trade payables

Particulars	As at 31 March 2019	As at 31 March 2018
	INR	INR
Trade payable	**3,209,074**	2,836,706
Total	**3,209,074**	2,836,706

9 Current liabilities - other current liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
	INR	INR
Other Statutory dues	**359,014**	-
Total	**359,014**	-

9 Revenue from operations

Particulars	Current year 2018-19	Previous year 2017-18
	INR	INR
Management consultancy Services	**5,704,734**	4,259,256
Total	**5,704,734**	4,259,256

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

10 Other income

Particulars	Current year 2018-19	Previous year 2017-18
	INR	INR
Miscellaneous income	-	19,637
Total	-	19,637

11 Network costs

Particulars	Current year 2018-19	Previous year 2017-18
	INR	INR
Charges for use of transmission facilities	**5,249,761**	3,885,715
Total	**5,249,761**	3,885,715

12 Other expenses

Particulars	Current year 2018-19	Previous year 2017-18
	INR	INR
Auditors remuneration	**60,000**	32,500
Communication expenses	-	22,580
Legal and professional fees	**871,073**	876,000
Miscellaneous expenses	**13,216**	33,204
Printing and stationery	-	1,600
Total	**944,289**	965,884

13 Finance costs

Particulars	Current year 2018-19	Previous year 2017-18
	INR	INR
Interest expenses	**3,540**	4,516
Total	**3,540**	4,516

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

KPMG

STT Tai Seng Pte. Ltd.
Registration Number:201613536H

Annual Report
Year ended 31 December 2018

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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 2018.

In our opinion:

(a) the financial statements set out on pages FS1 to FS47 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2018 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 (International); 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
Jonathan Allen King
Lim Yueh Hua Nelson
Christopher Scott Street
Tri Luu Pham
Pratibha Khandelwal Advani

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**	**Holdings at end of the year**
Related Corporations		
Astrea IV Pte. Ltd. **S$242,000,000 in aggregate principal amount of 4.35% Class A-1 secured Fixed Rate Bonds due 2028**		
Lim Yueh Hua Nelson	–	S$5,000

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year	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 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

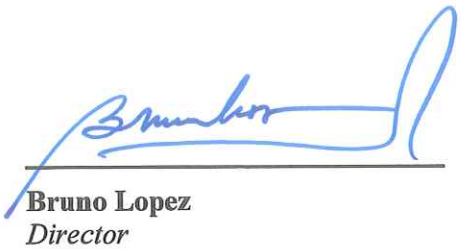
(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



Bruno Lopez
Director

Lim Yueh Hua Nelson
Director

15 April 2019

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

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 statement of financial position as at 31 December 2018, 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 FS47.

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 Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the financial position of the Company as at 31 December 2018 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.

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG

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 SFRS(I)s, 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.

KPMG

- 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 LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
15 April 2019

Statement of financial position
As at 31 December 2018

	Note	2018 $	2017 $	1 Jan 2017 $
Non-current assets				
Property, plant and equipment	4	98,090,006	62,005,823	–
Intangible assets	5	25,334,641	37,513,241	–
Goodwill	6	–	122,671,687	–
Trade and other receivables	7	29,149	85,420	
		123,453,796	222,276,171	–
Current assets				
Trade and other receivables	7	13,809,078	14,692,211	–
Deposits and prepayments	8	561,840	1,900,930	–
Balances with related parties	9	1,998,243	10,474,483	–
Cash and cash equivalents		19,134,345	3,377,982	100
Derivative assets		25,484	–	–
		35,528,990	30,445,606	100
Total assets		158,982,786	252,721,777	100
Equity attributable to owners of the Company				
Share capital	10	181,915,331	181,915,331	100
Hedging reserve	11	(32,196)	(73,297)	–
Accumulated profits/(losses)		(117,641,031)	5,419,116	(104,787)
Total equity		64,242,104	187,261,150	(104,687)
Non-current liabilities				
Trade and other payables	12	4,414,580	1,153,790	–
Provision for restoration costs	13	4,731,764	3,203,542	–
Bank loan	14	35,000,000	40,000,000	–
Deferred tax liabilities	15	8,796,966	8,363,203	–
		52,943,310	52,720,535	–
Current liabilities				
Trade and other payables	12	7,210,232	7,885,589	104,787
Balances with related parties	9	3,529,460	2,781,206	–
Bank loan	14	31,000,000	2,000,000	–
Derivative liabilities		57,680	73,297	–
		41,797,372	12,740,092	104,787
Total liabilities		94,740,682	65,460,627	104,787
Total equity and liabilities		158,982,786	252,721,777	100

The accompanying notes form an integral part of these financial statements.

Statement of comprehensive income
Year ended 31 December 2018

	Note	2018 $	2017 $
Revenue	16	58,780,534	48,595,323
Staff costs		(4,007,275)	(3,060,180)
Electricity costs		(9,461,964)	(7,055,630)
Services fees charged by related parties		(1,783,611)	(3,286,171)
Property tax		(42,146)	(24,954)
Facility expenses		(20,175,096)	(16,133,393)
Depreciation of property, plant and equipment		(5,289,995)	(3,826,859)
Amortisation of intangible assets		(5,662,376)	(4,954,579)
Other expenses		(2,088,362)	(2,027,597)
Loss on property, plant and equipment written off		(1,353,869)	–
Impairment loss on trade receivables and contract assets		(222,348)	(137,743)
Impairment of goodwill		(122,671,687)	–
Impairment of intangible assets		(6,516,224)	–
Total expenses		(179,274,953)	(40,507,106)
Finance income	17	10,447	1,959
Finance costs	17	(2,142,412)	(1,422,599)
Net finance costs		(2,131,965)	(1,420,640)
(Loss)/profit before tax	18	(122,626,384)	6,667,577
Tax expense	19	(433,763)	(1,143,674)
(Loss)/profit for the year		(123,060,147)	5,523,903
Other comprehensive income			
Items that are or may be reclassified subsequently to income statement			
Effective portion of changes in fair value of cash flow hedges		(77,204)	(209,710)
Net change in fair value of cash flow hedges reclassified from equity		118,305	136,413
Other comprehensive income for the year, net of tax		41,101	(73,297)
Total comprehensive income for the year		(123,019,046)	5,450,606

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
Year ended 31 December 2018

	Share capital $	Hedging reserves $	Accumulated profit/ (losses) $	Total equity $
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 changes in equity (cont'd)
Year ended 31 December 2018

	Share capital $	Hedging reserves $	Accumulated profit/(losses) $	Total equity $
At 1 January 2018	181,915,331	(73,297)	5,419,116	187,261,150
Total comprehensive income for the year				
Loss for the year	–	–	(123,060,147)	(123,060,147)
Other comprehensive income				
Effective portion of changes in fair value of cash flow hedges	–	(77,204)	–	(77,204)
Net change in fair value of cash flow hedges reclassified to profit or loss	–	118,305	–	118,305
Total other comprehensive income, net of tax	–	41,101	–	41,101
Total comprehensive income for the year	–	41,101	(123,060,147)	(123,019,046)
At 31 December 2018	181,915,331	(32,196)	(117,641,031)	64,242,104

The accompanying notes form an integral part of these financial statements.

Statement of cash flows
Year ended 31 December 2018

	Note	2018 $	2017 $
Cash flows from operating activities			
(Loss)/profit before tax		(122,626,384)	6,667,577
Adjustments for:			
Depreciation of property, plant and equipment		5,289,995	3,826,859
Amortisation of intangible assets		5,662,376	4,954,579
Impairment of intangible assets		6,516,224	–
Impairment loss on trade receivables and contract assets		222,348	137,744
Impairment of goodwill		122,671,687	–
Finance income		(10,447)	(1,959)
Finance costs		2,004,053	1,330,265
Unwind of discount on restoration costs		138,359	92,334
Loss on property, plant and equipment written off		1,353,869	–
		21,222,080	17,007,399
Changes in:			
Trade and other receivables		925,882	(14,915,375)
Deposits and prepayments		1,339,090	1,386,412
Trade and other payables		4,489,388	2,966,072
Balances with intermediate holding company		(1,115,446)	(442,707)
Balances with other shareholder		7,466,145	1,376,132
Balances with related parties		2,664,969	(1,972)
Cash from operating activities		36,992,108	7,375,961
Interest received		10,447	1,959
Tax paid		–	–
Net cash from operating activities		37,002,555	7,377,920
Cash flows from investing activities			
Acquisition through business combination	23	–	(134,617,271)
Purchase of property, plant and equipment		(43,293,163)	(5,051,352)
Net cash used in investing activities		(43,293,163)	(139,668,623)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		–	134,617,271
Proceeds from immediate holding company		–	40,000,000
Proceeds from bank loan		26,000,000	53,000,000
Repayment of bank loan		(2,000,000)	(11,000,000)
Repayment of loan to other shareholder		–	(40,000,000)
Repayment of loan to immediate holding company		–	(40,000,000)
Interest paid		(1,953,029)	(948,686)
Net cash from financing activities	14	22,046,971	135,668,585
Net change in cash and cash equivalents		15,756,363	3,377,882
Cash and cash equivalents at beginning of the year		3,377,982	100
Cash and cash equivalents at end of the year		19,134,345	3,377,982

The accompanying notes form an integral part of these financial statements.

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 15 April 2019.

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 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)"). These are the Company's first financial statements prepared in accordance with SFRS(I) and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied.

In the previous financial years, the financial statements were prepared in accordance with Financial Reporting Standards in Singapore ("FRS"). An explanation of how the transition to SFRS(I) and application of SFRS(I) 9 and SFRS(I) 15 have affected the reported financial position, financial performance and cash flows is provided in Note 25.

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 SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the 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 estimates are 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 3.2 and Note 3.3. The carrying amount of the Company's property, plant and equipment and intangible assets are set out in Note 4 and Note 5 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.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening SFRS(I) statements of financial position at 1 January 2017 for the purposes of the transition to SFRS(I), unless otherwise indicated.

The accounting policies have been applied consistently by the Company.

3.1 Business combination

For acquisition from 1 January 2017, 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 the profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date 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, subsequent changes to the fair value of the contingent consideration are recognised in the 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.

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.

3.2 Property, plant and equipment

Items of property, plant and equipment are measured 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, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the assets and restoring the site on which they are located and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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 will flow to the Company and its cost can be measured reliably. 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, telecommunication equipment and 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.

3.3 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

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.

3.4 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial instruments

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets – Policy applicable from 1 January 2018

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") - debt investment; FVOCI - equity instrument; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:
- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model and how those risks are managed;
- how managers of the business are compensated; and
- the frequency, volume and timing of sales of financial assets in prior period, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:
- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable from 1 January 2018

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial instruments – Policy applicable before 1 January 2018

Recognition and initial measurement

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs.

Classification and subsequent measurement

Subsequent to initial recognition, non-derivative financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Financial liabilities are classified as measured at amortised cost. They are subsequently measured at amortised cost using the effective interest method.

(iii) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

(iv) Offsetting

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

(v) Cash and cash equivalents

Cash and cash equivalents comprise bank balances and cash on hand.

(vi) Derivative financial instruments and hedge accounting

Derivative financial instruments and hedging activities – Policy applicable from 1 January 2018

The Company holds derivative financial instruments to hedge its interest rate risk exposures.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Company designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Hedging relationships designated under FRS 39 that were still existing as at 31 December 2017 are treated as continuing hedges and hedge documentations were aligned accordingly to the requirements of SFRS(I) 9.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Company designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised in a cost of hedging reserve within the equity.

When the a hedge of a forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Derivative financial instruments and hedging activities – Policy applicable before 1 January 2018

The policy applied in the comparative information presented for 2017 is consistent to that applied for 2018. Furthermore, for all cash flow hedges, including hedges of transactions resulting in the recognition of non-financial items, the amounts accumulated in the cash flow hedge reserve were reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affected profit or loss.

(vii) Share capital

Ordinary shares

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.

3.5 Impairment

(i) Non-derivative financial assets and contract assets

Policy applicable from 1 January 2018

The Company recognises loss allowances for Expected Credit Losses ("ECLs") on:

- financial assets measured at amortised costs; and
- contract assets

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset

Simplified approach

The Company applies simplified approach to provide for ECLs for trade receivables and contract assets.

The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company considers a financial asset and a contract asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Company in full; or
- the financial asset is more than 360 days past due.

The maximum period considered when estimating ECLs in the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

For debt investments at FVOCI, loss allowances are charged to profit or loss and recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Policy applicable before 1 January 2018

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.

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.

(ii) Non-financial assets

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.

3.6 Revenue recognition

Data centre co-location services

Revenue from data centre co-location services is recognised when the Company satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

Transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Company does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

3.7 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 date are translated 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 translated 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 translation are recognised in the profit or loss.

3.8 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.

3.9 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.

3.10 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. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences 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 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.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, 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 for unutilised tax losses and deductible temporary differences 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.

3.11 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.

3.12 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.

4 Property, plant and equipment

	Note	Leasehold improvements $	Construction in progress $	Office equipment, furniture and fixtures $	Computer and tele-communication equipment $	Data centre equipment $	Total $
Cost							
At 1 January 2017		–	–	–	–	–	–
Acquisition through business combination	23	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
Additions		1,465,897	40,240,014	37,419	288,789	695,928	42,728,047
Disposals		–	–	–	–	(1,542,619)	(1,542,619)
Transfers		42,178,476	(44,930,856)	–	–	2,752,380	–
At 31 December 2018		68,167,671	531,329	53,776	750,296	37,515,038	107,018,110
Accumulated depreciation							
At 1 January 2017		–	–	–	–	–	–
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)
Disposals		–	–	–	–	188,750	188,750
Depreciation for the year		(2,900,457)	–	(10,292)	(229,749)	(2,149,497)	(5,289,995)
At 31 December 2018		(4,170,444)	–	(16,664)	(310,384)	(4,430,612)	(8,928,104)
Carrying amounts							
At 1 January 2017		–	–	–	–	–	–
At 31 December 2017		23,253,311	5,222,171	9,985	380,872	33,139,484	62,005,823
At 31 December 2018		63,997,227	531,329	37,112	439,912	33,084,426	98,090,006

Property, plant and equipment included provision for restoration costs amounting to $2,495,676 (2017: $1,231,564). The construction costs for the data centre incurred for the year amounted to $40,240,014 (2017: $5,222,171). Included in this amount are capitalised borrowing costs of $187,101 (2017: $46,137), using a weighted average capitalisation rate of 2.16% (2017: 2.61%).

5 Intangible assets

	Note	Customer contracts and relationships $
Cost		
At 1 January 2017		–
Acquisition through business combination	23	42,467,820
At 31 December 2017 and 31 December 2018		42,467,820
Accumulated amortisation and impairment losses		
At 1 January 2017		–
Amortisation for the year		4,954,579
At 31 December 2017		4,954,579
Amortisation for the year		5,662,376
Impairment loss	6	6,516,224
At 31 December 2018		17,133,179
Carrying amount		
At 1 January 2017		–
At 31 December 2017		37,513,241
At 31 December 2018		25,334,641

6 Goodwill

	Note	$
Cost		
At 1 January 2017		–
Acquisition through business combination	23	122,671,687
At 31 December 2017 and 31 December 2018		122,671,687
Accumulated impairment losses		
At 1 January 2017 and 31 December 2017		–
Impairment loss		(122,671,687)
At 31 December 2018		(122,671,687)
Carrying amounts		
At 1 January 2017		–
At 31 December 2017		122,671,687
At 31 December 2018		–

The goodwill is allocated to the Company's cash-generating unit ("CGU") identified as follows:

Annual impairment tests for cash-generating units containing goodwill

	2018 $	2017 $
Data centre business	–	122,671,687

The recoverable amount of the CGU is based on the greater of its fair value less costs to sell ("FVLCS") and its value-in-use ("VIU").

For the goodwill identified to the CGU, arising from the acquisition of data centre business from Tata Communications International Pte Ltd ("TCIPL"), the recoverable amount was determined based on the FVLCS. This was estimated using the discounted cash flows expected to arise from the continuing use of the CGU based on forecasted cash flows over the remaining lease periods, incorporating Level 3 fair value inputs as defined in Note 20.

The key assumptions used in the estimation of the recoverable amount are set out below:

	2018
Pre-tax discount rate	11.0%
Budgeted EBITDA growth rate	1.6%

The values assigned to the key assumptions represent management's assessment of future trends based on historical data from both external and internal sources.

The carrying amount of the CGU was determined to be higher than its recoverable amount and an impairment loss of $129,187,911 was recognised. The impairment loss was allocated to goodwill of $122,671,687 and intangible assets of $6,516,224 (see Note 5). The impairment loss arose mainly from an unfavourable revision in its long term contract rates due to increased competitive supply available in the market, which had an adverse impact to the business.

Following the impairment loss recognised on the CGU, the recoverable amount was equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment.

In the prior year, in ascertaining the recoverable amount of the CGU, the Company was of the view that the total consideration amounting to $181,915,231 was representative of the FVLCS, given that there were no significant events since the date of acquisition to 31 December 2017 that would have resulted in a significant change in the fair value. In this context, the recoverable amount approximated the carrying amount as at 31 December 2017, and accordingly, the goodwill of $122,671,687 was not impaired.

7 Trade and other receivables

	2018 $	2017 $
Current assets		
Trade receivables	11,608,691	11,760,840
Other receivables	1,458	1,000
Unbilled receivables	1,556,396	2,904,858
Contract assets	134,840	25,513
Net GST receivables	507,693	–
	13,809,078	14,692,211
Non-current asset		
Contract assets	29,149	85,420
	29,149	85,420
Total trade and other receivables	13,838,227	14,777,631

8 Deposits and prepayments

	2018 $	2017 $
Deposits	960	300
Prepayments	560,880	1,900,630
	561,840	1,900,930

Prepayments mainly pertain to prepaid rent for the use of data centre premises.

9 Balances with related parties

	2018 $	2017 $
Amount due from:		
Other shareholder (trade)	1,987,017	10,474,483
Related parties (trade)	220,052	–
	2,207,069	10,474,483
Loss allowance	(208,826)	–
	1,998,243	10,474,483
Amount due to:		
Intermediate holding company (non-trade)	276,898	1,392,344
Other shareholder (non-trade)	354,811	1,376,132
Related parties (non-trade)	2,897,751	–
Related parties (trade)	–	12,730
	3,529,460	2,781,206

The non-trade amounts due to other shareholder, intermediate holding company and related parties are unsecured, interest free and repayable on demand.

10 Share capital

	2018 Ordinary shares		2017 Ordinary shares	
	No. of shares	$	No. of shares	$
At 1 January	300	181,915,331	100	100
Issued during the year	–	–	200	181,915,231
At 31 December	300	181,915,331	300	181,915,331

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.

11 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.

12 Trade and other payables

	2018 $	2017 $
Current liabilities		
Trade payables	1,451,605	791,557
Accrued expenses	2,118,695	2,538,540
Net GST payable	–	64,856
Capital expenditure payables	2,633,348	3,385,565
Contract liabilities	1,006,584	1,105,071
	7,210,232	7,885,589
Non-current liabilities		
Contract liabilities	2,645,127	1,153,790
Accrued expenses	1,769,453	–
	4,414,580	1,153,790
Total trade and other payables	11,624,812	9,039,379

Included in accrued expenses are accrued amount due to intermediate holding company amounting to $14,294 (2017: $76,562) and accrued interest expense of $574,985 (2017: $351,154).

13 Provision for restoration costs

	Note	2018 $	2017 $
At 1 January		3,203,542	–
Acquisition through business combination	23	–	3,111,208
Provision made		1,389,863	–
Unwind of discount on restoration costs		138,359	92,334
At 31 December		4,731,764	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 lease in April and May 2025.

14 Bank loan

	2018 $	2017 $
Bank loan	66,000,000	42,000,000
Current	31,000,000	2,000,000
Non-current	35,000,000	40,000,000
	66,000,000	42,000,000

The bank loan is unsecured, bears interest rates ranging from 2.31% and 3.70% (2017: 2.13% to 2.61%) per annum, and is repayable by 13 February 2022 (2017: 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

	Note	Liabilities		Derivative liabilities held to hedge long-term borrowing	Equity	
		Loans and borrowings $	Accrued interest expense $	Interest rate swap used for hedging - liabilities $	Share capital $	Total $
Balance at 1 January 2017		–	–	–	100	100
Acquisition through business combination	23	40,000,000	–	–	–	40,000,000
Changes from financing cash flows						
Proceeds from issuance of ordinary shares		–	–	–	134,617,271	134,617,271
Proceeds from immediate holding company		40,000,000	–	–	–	40,000,000
Proceeds from bank loan		53,000,000	–	–	–	53,000,000
Repayment of bank loan		(11,000,000)	–	–	–	(11,000,000)
Repayment of loan to other shareholder		(40,000,000)	–	–	–	(40,000,000)
Repayment of loan to immediate holding company		(40,000,000)	–	–	–	(40,000,000)
Interest paid		–	(888,835)	(59,851)	–	(948,686)
Total changes from financing cash flows		2,000,000	(888,835)	(59,851)	134,617,271	135,668,585
Acquisition of business settled by way of issuance of ordinary shares	23	–	–	–	47,297,960	47,297,960
Change in fair value		–	–	73,297	–	73,297
Liability-related other changes						
Capitalised borrowing costs		–	46,137	–	–	46,137
Interest expense*		–	1,193,852	136,413	–	1,330,265
Accrued interest payable to immediate holding company		–	–	(76,562)	–	(76,562)
Total liability-related other changes		–	1,239,989	59,851	–	1,299,840
Balance at 31 December 2017		42,000,000	351,154	73,297	181,915,331	224,339,782

	Liabilities		Derivative liabilities held to hedge long-term borrowing	Equity	
	Loans and borrowings $	Accrued interest expense $	Interest rate swap used for hedging - liabilities $	Share capital $	Total $
Balance at 1 January 2018	42,000,000	351,154	73,297	181,915,331	224,339,782
Changes from financing cash flows					
Proceeds from bank loan	26,000,000	–	–	–	26,000,000
Repayment of bank loan	(2,000,000)	–	–	–	(2,000,000)
Interest paid	–	(1,849,018)	(104,011)	–	(1,953,029)
Total changes from financing cash flows	24,000,000	(1,849,018)	(104,011)	–	22,046,971
Change in fair value	–	–	(41,101)	–	(41,101)
Liability-related other changes					
Capitalised borrowing costs	–	187,101	–	–	187,101
Interest expense*	–	1,885,748	118,305	–	2,004,053
Accrued interest payable to immediate holding company	–	–	(14,294)	–	(14,294)
Total liability-related other changes	–	2,072,849	104,011	–	2,176,860
Balance at 31 December 2018	66,000,000	574,985	32,196	181,915,331	248,522,512

* Finance costs excluding unwind of discount on restoration costs of $138,359 (2017: $92,334).

15 Deferred tax liabilities

Movements in deferred tax liabilities during the year are as follows:

	At 1 January 2017 $	Acquisition through business combination (Note 23) $	Recognised in income statement (Note 19) $	At 31 December 2017 $	Recognised in income statement (Note 19) $	At 31 December 2018 $
Deferred tax assets						
Capital allowances carry forward	–	–	–	–	469,248	469,248
Others	–	–	–	–	70,559	70,559
	–	–	–	–	539,807	539,807
Deferred tax liabilities						
Property, plant and equipment	–	–	(1,985,952)	(1,985,952)	(3,043,932)	(5,029,884)
Intangible assets	–	(7,219,529)	842,278	(6,377,251)	2,070,362	(4,306,889)
	–	(7,219,529)	(1,143,674)	(8,363,203)	(973,570)	(9,336,773)
Net deferred tax liabilities	–	(7,219,529)	(1,143,674)	(8,363,203)	(433,763)	(8,796,966)

16 Revenue

	2018 $	2017 $
Revenue from contracts with customers	58,780,534	48,595,323

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Data centre co-location services

Nature of services	The Company derives data centre co-location revenue consisting primarily of (1) co-location, which includes the provisioning of rack space and power; (2) interconnection offerings, such as cross connects and (3) managed infrastructure solutions. The remainder of the Company's revenues are from one-off services provided to customers.
When revenue is recognised	Revenue is recognised on a straight-line basis over the term of the contract. Upfront installation fees are paid in advance and recognised over the contract term. One-off services are recognised at a point in time upon services are transferred to the customer.

Significant payment terms	Recurring revenue are billed monthly and are payable within 30 - 60 days based on the agreed amount stipulated in the contract. Non-recurring installation fees are paid in advance. No significant financing component has been recognised as the payment terms are for reasons other than financing.
Obligations for returns and refunds	The Company guarantees certain service levels as outlined in individual customers' contracts. If these service levels are not achieved due to any failure of the physical infrastructure or offerings, the Company would reduce the revenue for any credits or cash payments given to the customer. The Company assessed that the estimated credits or cash payments based on historical data is not significant. The Company reviews its estimate of expected credits and cash payments at each reporting date and updates the amounts of the assets and liabilities accordingly.

No incremental costs of obtaining a contract were capitalised during the year ended 31 December 2018 and 2017.

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by timing of revenue recognition.

	2018 $	2017 $
Timing of revenue recognition		
Products and services transferred over time	57,129,327	48,051,010
Products and services transferred at a point in time	1,651,207	544,313
	58,780,534	48,595,323

Revenue from contracts with customers is primarily derived in Singapore.

Contract balances

The following table provides information about contract assets and contract liabilities from contracts with customers:

	2018 $	2017 $
Contract assets	163,989	110,933
Contract liabilities	3,651,711	2,258,861

The contract assets primarily relate to the Company's right to consideration for work completed on data centre co-location services but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Company invoices the customer.

The contract liabilities primarily relate to advance consideration received from customers for upfront installation fee for co-location services over the contract term.

Significant changes in the contract assets and contract liabilities balances during the year are as follows:

	Contract assets		Contract liabilities	
	2018	2017	2018	2017
	$	$	$	$
Contract assets reclassified to trade receivables	25,513	–	–	–
Revenue recognised that was included in the contract liability balance at the beginning of the year	–	–	(1,105,071)	–
Acquisition through business combination	–	–	–	1,738,935

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date:

	2018			
	Within 1 year	1 to 5 years	After 5 years	Total
	$	$	$	$
Data centre co-location services	37,545,516	82,466,980	21,487,737	141,500,233

Variable consideration that is constrained and therefore not included in the transaction price is excluded in the amount presented above.

The Company did not apply any practical expedient prescribed in paragraph 121 of SFRS(I) 15.

17 Finance income and finance costs

	2018	2017
	$	$
Finance income		
- Bank	10,447	1,959
Finance costs		
- Bank	1,885,748	1,185,523
- Immediate holding company	–	8,329
- Net change in fair value of cash flow hedges reclassified from equity	118,305	136,413
- Unwind of discount on restoration costs	138,359	92,334
	2,142,412	1,422,599
Net finance costs recognised in profit or loss	(2,131,965)	(1,420,640)

18 (Loss)/profit before tax

The following items have been included in arriving at (loss)/profit before tax:

	2018 $	2017 $
Salary, bonuses and other costs	3,687,200	2,680,516
Contributions to defined contribution plans	320,075	379,664
Lease expenses	16,848,046	14,166,645
Impairment loss on trade receivables and contract assets	222,348	137,744
Impairment of goodwill	122,671,687	–
Impairment of intangible assets	6,516,224	–
Loss on property, plant and equipment written off	1,353,869	–

19 Tax expense

	2018 $	2017 $
Current tax expense	–	–
Deferred tax expense		
Origination and reversal of temporary differences	492,856	1,143,674
Overprovision in respect of prior year	(59,093)	–
	433,763	1,143,674
Total tax expense	433,763	1,143,674
Reconciliation of effective tax rate		
(Loss)/profit before tax	(122,626,384)	6,667,577
Tax using Singapore tax rate of 17% (2017: 17%)	(20,846,485)	1,133,488
Non-deductible expenses	21,356,341	231,183
Tax incentives	(17,000)	(220,997)
Overprovision in respect of prior year	(59,093)	–
	433,763	1,143,674

20 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 trade receivables from customers. The Company has credit guidelines in place and the exposure to credit risk is monitored on an ongoing basis. Periodic frequent credit reviews and counterparty credit limits are practised.

The carrying amounts of financial assets in the statement of financial position represent the Company's maximum exposures to credit risk, before taking into account any collateral held.

The Company does not require collateral in respect of financial assets. The Company does not have trade receivables and contract assets for which no loss allowance is recognised because of collateral.

At the reporting date, the Company has no significant concentration of credit risk, except for 81% (2017: 82%) of trade debts relating to 3 (2017: 4) major customers. Cash and cash equivalents are placed with creditworthy financial institutions.

Comparative information under FRS 39

The ageing of loans and receivables (excluding cash and cash equivalents) at the reporting date was:

	Gross 2017 $	Impairment 2017 $	Gross 1 Jan 2017 $	Impairment 1 Jan 2017 $
Not past due	14,161,202	–	–	–
Past due 1–30 days	3,949,562	(5,330)	–	–
Past due 31–120 days	6,070,106	(30,526)	–	–
Past due > 120 days	1,098,355	(101,888)	–	–
	25,279,225	(137,744)	–	–

Expected credit loss ("ECL") assessment for customers as at 1 January 2018 and 31 December 2018

The Company's primary exposure to credit risk arises through its trade receivables and contract assets. In monitoring customer credit risk, the Company allocates exposure to credit risk by segmenting the customers based on customer type.

Customers are segmented by customer type and an ECL rate is calculated for each customer type based on probabilities of default and loss given default. Lifetime probabilities of default are based on published external sources. Loss given default parameters generally reflect an assumed recovery rate of 0%. The Company monitors changes in credit risk by tracking the probabilities of default from published external sources. Loss allowances are adjusted for current conditions and the Company's view of economic conditions over the expected lives of the receivables only if these factors have a significant impact to the credit loss.

The table below shows an analysis of exposure to credit risk exposure for trade receivables and contract assets by customer type as at 31 December 2018:

	Weighted average loss rate %	Gross carrying amount $	Expected credit loss allowance $	Credit impaired loss allowance $	Total loss allowance $
Cloud providers	0.0007	10,668,114	(77)	(74,888)	(74,965)
Telecommunication providers	2.1699	1,640,164	(33,755)	(84,549)	(118,304)
Financial institutions	1.0120	763,678	(7,720)	(844)	(8,564)
Others	3.0619	2,637,442	(77,614)	(102,632)	(180,246)
		15,709,398	(119,166)	(262,913)	(382,079)

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

	Individual impairment $
At 1 January 2017 per FRS 39	–
Impairment loss recognised	137,744
At 31 December 2017 per FRS 39	137,744

	Lifetime ECL $
At 1 January 2018 per FRS 39 / SFRS(I) 9	137,744
Impairment loss recognised	304,230
Amounts written off	(1,914)
Amounts recovered	(81,882)
Translation difference	23,901
At 31 December 2018 per SFRS(I) 9	382,079

As a result of the adoption of SFRS(I) 9, the Company assessed the impairment loss related to trade receivables and contract assets as at 1 January 2018 would not result in significant changes to the impairment loss allowance, and has recognised the cumulative effect of adopting SFRS(I) 9 in current year's impairment loss allowance.

The Company measures loss allowance for non-trade balances using the general approach (12-month ECL) which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant.

The Company uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for non-trade balances and considers that its cash and cash equivalents have low credit risk based on the probabilities of default of the counterparties from external sources. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated A-1+. The amount of the allowance is negligible.

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 2018, the Company has unused committed loan facility of $14 million (2017: $38 million), which is adequate and available to the Company to meet its obligations.

The following are the contractual maturities of non-derivative financial liabilities and derivative financial instruments, including estimated interest payments and excluding the impact of netting arrangement:

	Carrying amount $	Contractual cash flows $	Less than 1 year $	1 to 5 years $
31 December 2018				
Non-derivative financial liabilities				
Trade and other payables	7,973,101	(7,973,101)	(7,973,101)	–
Balances with related parties	3,529,460	(3,529,460)	(3,529,460)	–
Bank loan	66,000,000	(69,168,525)	(32,227,713)	(36,940,812)
Derivative financial instruments				
Interest rate swap used for hedging (net settled)	57,680	(57,680)	(57,680)	–
Interest rate swap used for hedging (net settled)	(25,484)	25,484	25,484	–
	77,534,757	(80,703,282)	(43,762,470)	(36,940,812)
31 December 2017				
Non-derivative financial liabilities				
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)
Derivative financial instruments				
Interest rate swap used for hedging (net settled)	73,297	(73,297)	(73,297)	–
	51,570,165	(55,874,491)	(12,621,582)	(43,252,909)

As disclosed in note 14, the Company has an unsecured bank loan which contains debt covenants. A future breach of these covenants may require the Company to repay the loan earlier than indicated in the table above. Under the agreement, the covenants are monitored on a regular basis by the Treasury department and regularly reported to management to ensure compliance with the agreement.

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:

	2018 $	2017 $
Interest rate swap contracts	28,000,000	23,000,000

Interest rate risk is managed centrally by the treasury department of the intermediate holding company. The treasury department adopts a policy of ensuring that at least 50% of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a float rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk. The Company applies a hedge ratio of 1:1.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

The Company assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Company's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- differences in repricing dates between the swaps and the borrowings.

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 interest $	Fixed interest $
31 December 2018				
Financial liabilities				
Unsecured bank loan				
- Floating rate	2.31 – 3.70	66,000,000	66,000,000	–
- Effect of interest rate swap	1.83 – 2.21	–	(28,000,000)	28,000,000
		66,000,000	38,000,000	28,000,000
31 December 2017				
Financial liabilities				
Unsecured bank loan				
- Floating rate	2.13 – 2.61	42,000,000	42,000,000	–
- Effect of interest rate swap	1.83	–	(23,000,000)	23,000,000
		42,000,000	19,000,000	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 increased/decreased loss before tax by $380,000 (2017: decreased/increased profit before tax by $190,000).

Cash flow hedges

At 31 December 2018, the Company held the following instruments to hedge exposures to changes in interest rates.

	Maturity		
2018	**Within 1 year $**	**Between 1 to 5 years $**	**More than 5 years $**
Interest rate risk			
Interest rate swaps			
Net exposure	–	28,000,000	–
Average fixed interest rate	–	2.02%	–

The amounts at the reporting date relating to items designated as hedged items were as follows:

	Change in value used for calculating hedge ineffectiveness $	Cash flow hedge reserve $	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied $
Interest rate risk			
Unsecured bank loan	77,204	(32,196)	–

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

	2018								
	Nominal amount **$**	**Assets** **$**	**Liabilities** **$**	**Line item in the balance sheet where the hedging instrument is included**	**Changes in the value of the hedging instrument recognised in OCI** **$**	**Hedge ineffectiveness recognised in profit or loss** **$**	**Line item in profit or loss that includes hedge ineffectiveness** **$**	**Amount reclassified from hedging reserve to profit or loss** **$**	**Line item in profit or loss affected by the reclassification**
Interest rate risk									
Interest rate swaps	28,000,000	25,484	(57,680)	Derivative assets/ Derivative liability	(77,204)	–	–	118,305	Finance costs

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 2018, the carrying amounts of other long-term financial liabilities are approximate to 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:

	2018 $	2017 $
Mark-to-market financial liability		
- Interest rate swap	32,196	73,297

Accounting classification

The carrying amounts of financial assets and financial liabilities by accounting classification as follows:

	2018 $	2017 $
Financial assets measured at amortised cost		
Trade and other receivables	13,166,545	14,666,698
Deposits	960	300
Balances with related parties	1,998,243	10,474,483
Cash and cash equivalents	19,134,345	3,377,982
	34,300,093	28,519,463

	2018 $	2017 $
Financial liabilities measured at amortised cost		
Trade and other payables	7,973,101	6,715,662
Balances with related parties	3,529,460	2,781,206
Bank loan	66,000,000	42,000,000
	77,502,561	51,496,868
Financial liabilities measured at fair value		
Interest rate swaps	32,196	73,297

21 Capital management

The Company regularly reviews its financial position 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.

	2018 $	2017 $
Total equity	64,242,104	187,261,150
Bank loan	66,000,000	42,000,000
Total capital employed	130,242,104	229,261,150

There were no changes in the Company's approach to capital management during the year.

The Company is subject to certain financial covenants including positive tangible net worth, debt to security value and net cash available for debt servicing 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.

22 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 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:

	2018 $	2017 $
Other shareholder		
Revenue received/receivable	2,205,715	1,516,762
Service fees paid/payable	169,656	2,236,331
Payment on behalf by	59,323	1,827,277
Payment on behalf of	–	655,293
Back to back arrangement		
- Billing on behalf by	4,378,196	23,340,743
- Collection on behalf by	11,202,466	27,433,099
Intermediate holding company		
Service fees paid/payable	1,613,954	1,049,840
Salary costs recharges paid/payable	778,462	310,489
Payment on behalf by	262,177	329,795
Other related parties		
Revenue received/receivable	742,316	228,211
Purchase of property, plant and equipment	247,424	349,017
Facilities and other expenses paid/payable	16,230,712	11,050,634

23 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	181,915,231

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	59,243,544

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	122,671,687

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 on professional fees. These costs have been included in 'Other expenses'.

24 Commitments

Capital commitments

	2018 $	2017 $
Capital expenditure contracted but not provided for in the financial statements	1,872,350	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:

	2018 $	2017 $
Within one year	13,790,542	14,983,922
Between one and five years	58,163,422	57,115,516
More than five years	16,501,269	31,339,716
	88,455,233	103,439,154

25 Explanation of transition to SFRS(I) and adoption of new standards

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual period beginning on 1 January 2018.

As stated in note 2.1, these are the first financial statements of the Company prepared in accordance with SFRS(I).

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 December 2018, the comparative information presented in these financial statements for the year ended 31 December 2017 and in the preparation of the opening SFRS(I) statement of financial position at 1 January 2017 (the Company's date of transition), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

In preparing the opening SFRS(I) statement of financial position, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with previous FRS.

In addition to the adoption of the new framework, the Company also concurrently applied the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date.

- SFRS(I) 15 *Revenue from Contracts with Customers* which includes clarifications to IFRS 15 *Revenue from Contracts with Customers* issued by the IASB in April 2016;
- SFRS(I) 9 *Financial Instruments* which includes amendments arising from IFRS 4 *Insurance Contracts* issued by the IASB in September 2016;
- requirements in SFRS(I) 1 arising from the amendments to IFRS I – *Deletion of short-term exemptions for first-time adopters* issued by the IASB in December 2016; and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration.*

The application of the above standards and interpretations do not have a material effect on the financial statements, except for SFRS(I) 15 and SFRS(I) 9.

An explanation of how the transition from previous FRS to SFRS(I) and the adoption of SFRS(I) 9 and SFRS(I) 15 have affected the Company's financial position, financial performance and cash flows, is set out under the summary of quantitative impact and the accompanying notes.

Summary of quantitative impact

The following reconciliations summarise the impacts on initial application of SFRS(I) 15 on the Company's financial position as at 31 December 2017. The application of SFRS(I) 15 did not result in any material adjustments to the Company's financial position as at 1 January 2017, profit or loss and other comprehensive income, and statement of cash flows for the year ended 31 December 2017.

There were no adjustments to the Company's financial position as at 1 January 2017, 31 December 2017 and 1 January 2018, profit or loss and other comprehensive income, and statement of cash flows for the year ended 31 December 2017 arising on the adoption of SFRS(I) 1 and SFRS(I) 9.

Reconciliation of the Company's equity
Statement of financial position

		31 December 2017		
	Note	FRS framework $	SFRS(I)15 $	SFRS(I) framework $
Non-current assets				
Trade and other receivables	B	–	85,420	85,420
Others		222,190,751	–	222,190,751
		222,190,751	85,420	222,276,171
Current assets				
Trade and other receivables	B	14,666,698	25,513	14,692,211
Others		15,753,395	–	15,753,395
		30,420,093	25,513	30,445,606
Total assets		252,610,844	110,933	252,721,777
Total equity		187,261,150	–	187,261,150

	Note	31 December 2017		
		FRS frame-work $	SFRS(I)15 $	SFRS(I) frame-work $
Non-current liabilities				
Trade and other payables	B	1,005,542	148,248	1,153,790
Others		51,566,745	–	51,566,745
		52,572,287	148,248	52,720,535
Current liabilities				
Trade and other payables	B	7,922,904	(37,315)	7,885,589
Others		4,854,503	–	4,854,503
		12,777,407	(37,315)	12,740,092
Total liabilities		65,349,694	110,933	65,460,627
Total equity and liabilities		252,610,844	110,933	252,721,777

Notes to the reconciliations

A. SFRS(I) 1

In adopting SFRS(I) in 2018, the Company has applied the transition requirements in SFRS(I) 1 with 1 January 2017 as the date of transition. SFRS(I) 1 generally requires that the Company applies SFRS(I) that are effective as at 31 December 2018 on a retrospective basis, as if such accounting policy had always been applied, subject to the mandatory exceptions and optional exemptions in SFRS(I) 1. The application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 did not have any significant impact on the financial statements.

B. SFRS(I) 15

SFRS(I) 15 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.

The Company adopted SFRS(I) 15 in its financial statements using the retrospective approach. All requirements of SFRS(I) 15 have been applied retrospectively, except for the application of the practical expedients as described below, and the information presented for 2017 has been restated.

The Company has applied the following practical expedients as allowed under SFRS(I) 1.

- Completed contracts that began and ended in the same annual reporting period in 2017 and contracts completed at 1 January 2017 are not restated.
- For the year ended 31 December 2017, the Company did not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the Company expects to recognise that amount as revenue.

The impact upon adoption of SFRS(I) 15 is as follows:

Presentation of contract assets and liabilities

	31 December 2017 $
Statement of financial position	
Current assets	
Increase in contract assets	25,513
Non-current assets	
Increase in contract assets	85,420
Current liabilities	
Decrease in deferred revenue	(1,142,386)
Increase in contract liabilities	1,105,071
Non-current liabilities	
Decrease in deferred revenue	(1,005,542)
Increase in contract liabilities	1,153,790

C. SFRS(I) 9

SFRS(I) 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new 'expected credit loss' ("ECL") model and a new general hedge accounting model. The Company adopted SFRS(I) 9 from 1 January 2018.

In accordance with the exemption in SFRS(I) 1, the Company elected not to restate information for 2017. Accordingly, the information presented for 2017 is presented, as previously reported, under FRS 39 *Financial Instruments: Recognition and Measurement.* Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings and reserves as at 1 January 2018.

Arising from this election, the Company is exempted from providing disclosures required by SFRS(I) 7 *Financial Instruments: Disclosures* for the comparative period to the extent that these disclosures relate to items within the scope of SFRS(I) 9. Instead, disclosures under FRS 107 *Financial Instruments: Disclosures* relating to items within the scope of FRS 39 are provided for the comparative period.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 have been generally applied by the Company retrospectively, except as described below.

- The following assessments were made on the basis of facts and circumstances that existed at 1 January 2018.
  - The determination of the business model within which a financial asset is held;
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest of the principal amount outstanding;

- The designation of an equity investment that is not held-for-trading as at FVOCI; and
- The designation and revocation of previous designations of certain financial assets and financial liabilities measured at FVTPL.

- New hedge accounting requirements are applied prospectively. All hedging relationships designated under FRS 39 at 31 December 2017 met the criteria for hedge accounting under SFRS(I) 9 at 1 January 2018 and therefore were regarded as continuing hedging relationships.

The impact upon adoption of SFRS(I) 9, including the corresponding tax effects, are described below.

(i) Classification of financial assets and financial liabilities

Under SFRS(I) 9, financial assets are classified in the following categories: measured at amortised cost, FVOCI – debt instrument, FVOCI – equity instrument; or FVTPL. The classification of financial assets under SFRS(I) 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SFRS(I) 9 eliminates the previous FRS 39 categories of held-to-maturity, loans and receivables and available-for-sale. Under SFRS(I) 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instruments as a whole is assessed for classification.

The adoption of SFRS(I) 9 has not had a significant effect on the Company's accounting policies for financial liabilities.

The following table and the accompanying notes below explain the original measurement categories under FRS 39 and the new measurement categories under SFRS(I) 9 for each class of the Company's financial assets and financial liabilities as at 1 January 2018.

			1 January 2018	
	Original classification under FRS 39	**New classification under SFRS(I) 9**	**Original carrying amount under FRS 39**	**New carrying amount under SFRS(I) 9**
			$	**$**
Financial liability				
Derivative liability				
Interest rate swaps	Fair value – hedging instrument	Fair value – hedging instrument	73,297	73,297
Financial assets				
Trade and other receivables	Loans and receivables	Amortised cost	14,666,698	14,666,698
Deposits	Loans and receivables	Amortised cost	300	300
Balances with related parties	Loans and receivables	Amortised cost	10,474,483	10,474,483
Cash and cash equivalents	Loans and receivables	Amortised cost	3,377,982	3,377,982
Total financial assets			28,592,760	28,592,760

Trade and other receivables, deposits, balances with related parties and cash and cash equivalents that were classified as loans and receivables under FRS 39 are now classified at amortised cost. No significant changes to the carrying amount of the financial assets.

(ii) Impairment of financial assets

SFRS(I) 9 replaces the 'incurred loss' model in FRS 39 with an 'expected credit loss' ("ECL") model. The new impairment model applies to financial assets measured at amortised cost and contract assets.

As a result of the adoption of SFRS(I) 9, the Company has assessed the impairment loss related to trade receivables and contract assets as at 1 January 2018 to not have a material effect on the financial statements, and will recognise the cumulative effect of adopting SFRS(I) 9 in current year's profit or loss.

(iii) Hedge accounting

The Company adopted the new general hedge accounting model in SFRS(I) 9. This requires the Company to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

For an explanation of how the Company applies hedge accounting under SFRS(I) 9, see Note 3.2 (vi).

There were no adjustments to the Company's financial positions as at 1 January 2017, 31 December 2017 and 1 January 2018, the Company's profit or loss and other comprehensive income for the year ended 31 December 2017 and statement of cash flows for the year ended 31 December 2017 arising from the transition to SFRS(I) 9, in relation to hedge accounting.

26 New standards and interpretations not yet adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 January 2018 and earlier applications is permitted; however, the Company has not early adopted the new or amended standards and interpretations in preparing these financial statements.

SFRS(I) 16 is effective for annual periods beginning after 1 January 2018 and is applicable to financial statements for the year 2019 and thereafter.

The Company has assessed the estimated impact that initial application of SFRS(I) 16 will have on the financial statements to be have no significant impact.

SFRS(I) 16

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. SFRS(I) 16 replaces existing lease accounting guidance, including SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases* – Incentives and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Company plan to apply SFRS(I) 16 initially on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting SFRS(I) 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information.

i. ***The Company as lessee***

The Company expects to measure lease liabilities by applying a single discount rate to their portfolio of leases. Furthermore, the Company is likely to apply the practical expedient to recognise its carrying amount of ROU assets as if the Standard has been applied since the commencement date, but discounted using the Company's incremental borrowing rate at the date of initial application. For lease contracts that contain the option to renew, the Company is expected to use hindsight in determining the lease term.

The Company expects their existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. The nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

As at 1 January 2019, the Company expects an increase in ROU assets of $86,728,700, an increase in lease liabilities of $90,037,088 and an increase in accumulated losses of $3,308,388. The Company does not expect the adoption of SFRS(I) 16 to impact their ability to comply with the loan covenants.

STT Global Data Centres India Private Limited

Balance Sheet

as at 31 March 2019

Currency in Indian Rupees

₹ in lakhs

		Note	**As at 31 March 2019**	As at 31 March 2018	As at 1 April 2017
A	**ASSETS**			**Restated**	**Restated**
1	**Non-current assets**				
(a)	Property, plant and equipment	*3*	**89,410.88**	75,375.25	74,378.50
(b)	Capital work-in-progress	*3*	**22,333.64**	1,653.92	2,596.93
(c)	Other intangible assets	*4*	**49.13**	80.04	120.92
(d)	Financial assets				
	(i) Loans (security deposit)	*5*	**2,175.94**	604.89	108.82
(e)	Deferred tax assets (net)	*6*	**1,223.20**	2,864.10	1,979.42
(f)	Income tax assets (net)		**7,329.70**	3,603.56	5,575.71
(g)	Contract assets	*7A*	**578.12**	138.40	71.34
(h)	Other non-current assets	*8A*	**7,408.97**	5,444.54	926.27
	Total non-current assets		**130,509.58**	89,764.70	85,757.91
2	**Current assets**				
(a)	Financial assets				
	(i) Investments	*9*	**-**	17,693.89	10,700.18
	(ii) Trade receivables	*10*	**13,196.31**	17,267.28	9,339.56
	(iii) Cash and cash equivalents	*11*	**15,653.54**	1,605.91	1,338.23
	(iv) Bank balances other than (iii) above		**-**	-	2,292.34
	(v) Unbilled recievables		**3,474.77**	3,305.72	3,272.12
	(vi) Other financial asset	*12*	**2,699.85**	-	-
(b)	Contract assets	*7B*	**51.25**	-	-
(c)	Other current assets	*8B*	**1,924.38**	2,126.98	1,929.65
	Total current assets		**37,000.10**	41,999.78	28,872.08
	Total assets		**167,509.68**	131,764.48	114,629.99
B	**EQUITY AND LIABILITIES**				
I	**Equity**				
(a)	Equity share capital	*13*	**1.05**	1.00	1.00
(b)	Other equity	*14*	**43,695.10**	19,152.14	12,199.21
	Total equity		**43,696.15**	19,153.14	12,200.21
II	**Liabilities**				
1	**Non-current liabilities**				
(a)	Financial liabilities				
	(i) Borrowings	*15*	**91,594.49**	78,337.48	78,923.64
	(ii) Other financial liabilities	*16A*	**271.02**	39.71	26.34
(b)	Contract liabilities	*7A*	**916.66**	345.63	1,623.88
(c)	Employee benefit obligations	*17A*	**137.35**	317.28	275.94
(d)	Other non-current liabilities	*18A*	**348.08**	245.80	566.41
	Total non-current liabilities		**93,267.60**	79,285.90	81,416.21
2	**Current liabilities**				
(a)	Financial liabilities				
	(i) Trade payables	*19*			
	1. Dues of micro enterprises and small enterprises		**169.07**	50.86	66.97
	2. Dues of creditors other than micro enterprises and small enterprises above		**13,424.82**	18,670.12	8,899.81
	(ii) Other financial liabilities	*16B*	**12,789.21**	11,233.96	7,812.20
(b)	Contract liabilities	*7B*	**2,639.73**	1,625.89	3,396.19
(c)	Other current liabilities	*18B*	**1,503.03**	1,678.97	813.25
(d)	Employee benefit obligations	*17B*	**20.07**	65.64	25.15
	Total current liabilities		**30,545.93**	33,325.44	21,013.57
	Total equity and liabilities		**167,509.68**	131,764.48	114,629.99
	Significant accounting policies	*2*			
	The accompanying notes form an integral part of the financial statements	*1 to 39*			

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors
STT Global Data Centres India Private Limited

Glenn D'souza
Partner
Membership No: 112554

Sumit Mukhija
Chief Executive Officer

Bruno Lopez
Director
DIN : 07554875

Pratibha Khandelwal Advani
Director
DIN : 07456126

Bimal Khandelwal
Chief Financial officer

Mumbai
Dated: 10 June 2019

Mumbai
Dated: 10 June 2019

STT Global Data Centres India Private Limited

Statement of Profit and Loss

for the year ended 31 March 2019

Currency in Indian Rupees

		Note	For the year ended 31 March 2019	₹ in lakhs For the year ended 31 March 2018 Restated
I	Revenue from operations	*20*	**93,584.70**	86,859.96
II	Other income	*21*	**1,808.85**	1,537.52
III	**Total Income (I + II)**		**95,393.55**	88,397.48
IV	**EXPENSES:**			
	Operating and other expenses	*22*	**57,194.98**	51,536.21
	Employee benefit expenses	*23*	**5,039.13**	3,383.41
	Finance costs	*24*	**7,213.11**	9,440.25
	Depreciation and amortisation expense	*25*	**8,722.10**	13,231.79
	Total Expenses		**78,169.32**	77,591.66
V	**Profit before tax (III-IV)**		**17,224.23**	10,805.82
VI	**Tax expense**	*26*		
(a)	Current tax		**4,487.28**	4,727.50
(b)	Deferred tax		**1,647.00**	(881.19)
			6,134.28	3,846.31
VII	**Profit for the year (V - VI)**		**11,089.95**	6,959.51
VIII	**Other comprehensive income/(loss)**			
	(A) Items that will not be subsequently reclassified to profit or loss			
	(i) Remeasurements of the defined employee benefit plan		**(17.47)**	(10.06)
	(ii) Income tax relating to items that will not be subsequently reclassified to statement of profit and loss		**6.10**	3.48
	Other comprehensive (loss) for the year, net of tax		**(11.37)**	(6.58)
IX	**Total comprehensive income for the year, net of tax (VII + VIII)**		**11,078.58**	6,952.93
	Earnings per share			
	Basic and Diluted (of ₹ 10 each)	*28*	**105,951.56**	69,595.10
	Significant accounting policies	*2*		
	The accompanying notes form an integral part of the financial statements	*1 to 39*		

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration no: 101248W/W-100022

For and on behalf of the Board of Directors
STT Global Data Centres India Private Limited

Glenn D'souza
Partner
Membership No: 112554

Sumit Mukhija
Chief Executive Officer

Bruno Lopez
Director
DIN : 07554875

Pratibha Khandelwal Advani
Director
DIN : 07456126

Bimal Khandelwal
Chief Financial officer

Mumbai
Dated: 10 June 2019

Mumbai
Dated: 10 June 2019

STT Global Data Centres India Private Limited

Statement of Changes in Equity

for the year ended 31 March 2019

Currency in Indian Rupees

A Equity share capital

₹ in lakhs

	Note	No.of Shares	Amount
Balance as at 1 April 2017		**10,000**	**1.00**
Changes in equity share capital during the year	13	-	-
Balance as at 31 March 2018		**10,000**	**1.00**
Changes in equity share capital during the year	13	500	0.05
Balance as at 31 March 2019		**10,500**	**1.05**

B Changes in other equity

₹ in lakhs

Particulars	Note	Reserve and Surplus			Other comprehensive Income	Total Other Equity
		Securities Premium	General Reserve	Retained earnings	Remeasurement of defined benefit plan	
Balance as at 1 April 2017 as previously reported		**-**	**8,750.00**	**3,498.53**	**(9.84)**	**12,238.69**
Impact of changes in accounting policy	14	-	-	(39.48)	-	(39.48)
Restated balances as on 1 April 2017 *		**-**	**8,750.00**	**3,459.05**	**(9.84)**	**12,199.21**
Restated Profit for the year *		-	-	6,959.51	-	6,959.51
Remeasurements of the defined benefit plans		-	-	-	(10.06)	(10.06)
Tax impact on above		**-**	**-**	**-**	**3.48**	**3.48**
Restated balance as at 31 March 2018 *		**-**	**8,750.00**	**10,418.56**	**(16.42)**	**19,152.14**
Profit for the year		-	-	11,089.95	-	11,089.95
Right issue of Equity shares		13,464.38	-	-	-	13,464.38
Remeasurements of the defined benefit plans		-	-	-	(17.47)	(17.47)
Tax impact on above		-	-	-	6.10	6.10
Balance as at 31 March 2019		**13,464.38**	**8,750.00**	**21,508.51**	**(27.79)**	**43,695.10**

* Refer note 37 for details of restatement for changes in accounting policies consequent to adoption of Ind AS 115

Nature and purpose of reserves

(a) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

(b) General reserve

The general reserve is a free reserve which is used from time to time to transfer profits 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.

The accompanying notes form an integral part of the financial statements 1 to 39

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration no: 101248W/W-100022

For and on behalf of the Board of Directors
STT Global Data Centres India Private Limited

Glenn D'souza
Partner
Membership no. : 112554

Sumit Mukhija
Chief Executive Officer

Bruno Lopez
Director
DIN : 07554875

Pratibha Khandelwal Advani
Director
DIN : 07456126

Bimal Khandelwal
Chief Financial officer

Mumbai
Dated: 10 June 2019

Mumbai
Dated: 10 June 2019

STT Global Data Centres India Private Limited

Cash Flow Statement

for the year ended 31 March 2019

Currency in Indian Rupees

Particulars	Year Ended 31 March 2019	₹ in lakhs Year Ended 31 March 2018 Restated*
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	**17,224.23**	10,805.82
Adjustments for:		
Depreciation and amortisation expense	**8,722.10**	13,231.79
Gain on disposal of property, plant and equipment and intangibles (net)	**(290.18)**	(32.32)
Finance costs	**7,213.11**	9,440.25
Gain on investments carried at fair value through profit or loss (net)	**(662.49)**	(875.45)
Unwinding of discount on security deposits	**6.30**	6.75
Allowance for doubtful trade receivables	**145.64**	474.01
Interest on fixed deposits	**(316.70)**	(6.56)
Operating profit before working capital changes	**32,042.01**	33,044.29
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	**3,927.30**	(8,401.73)
Other financial assets	**(632.82)**	1,227.32
Contract assets	**(490.97)**	(67.06)
Other assets	**(1,485.79)**	(659.18)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	**(4,942.51)**	9,754.21
Other financial liabilities	**711.81**	(236.19)
Contract liabilities	**1,584.87**	(3,048.60)
Employee benefit obligations	**(242.96)**	71.78
Other liabilities	**778.34**	(1,140.46)
Cash generated from operations	**31,249.29**	30,544.38
Income tax paid (net)	**(8,213.42)**	(2,755.35)
Net Cash flow generated from operating activities (A)	**23,035.87**	27,789.03
CASH FLOW FROM INVESTING ACTIVITIES:		
Payments for purchase of property, plant and equipment and intangibles	**(46,868.91)**	(20,337.76)
Proceeds from disposal of property, plant and equipment and intangibles	**559.90**	41.66
Purchase of current investments (mutual funds)	**(67,600.00)**	(75,830.00)
Proceeds from sale of current investments (mutual funds)	**85,956.38**	69,711.75
(Increase)/ Decrease in earmarked funds	**-**	2,292.34
Interest received on fixed deposits	**300.10**	6.56
Net Cash flow (used in) investing activities (B)	**(27,652.53)**	(24,115.45)
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from short term borrowings	**-**	-
Proceeds from long term borrowings (net of arrangement fees)	**19,600.58**	85,188.00
Repayment of long term borrowings	**(6,448.00)**	(80,600.00)
Proceeds from issue of equity shares (refer note 13)	**13,464.44**	-
Finance cost paid	**(7,952.73)**	(7,993.90)
Net Cash flow generated from/(used in) financing activities (C)	**18,664.29**	(3,405.90)
Net Increase in Cash and Cash Equivalents (A)+(B)+(C)	**14,047.63**	267.68
Cash and Cash Equivalents at the beginning of the year	**1,605.91**	1,338.23
Cash and Cash Equivalents at the end of the year (Refer note 11 Cash and cash equivalents)	**15,653.54**	1,605.91

Note: Figures in brackets represent outflows.

Cash Flow Statement *(Continued)*

for the year ended 31 March 2019

Currency in Indian Rupees

Reconciliation of movement of liabilities to cash flows arising from financing activity

Particulars	Rupee loan from banks	Equity share capital (Incl Sec. Premium)	Interest accrued but not due
Balance as on 1 April 2018	**84,745.25**	**1.00**	**212.74**
Cash flow movement (refer above)	13,152.58	13,464.44	(7,952.73)
Expenses as per Statement of Profit and Loss	-	-	7,213.11
Non cash adjustments:			
Amortisation of arrangment fees	40.24	-	(40.24)
Borrowing cost capitalisation	-	-	820.40
Balance as on 31 March 2019	**97,938.07**	**13,465.44**	**253.28**

* Refer note 37 for details of restatement for changes in accounting policies consequent to adoption of Ind AS 115.
There were no adjustments to the Company's statement of Cash flows for the year ended 31 March 18

As per our report of even date attached

For and on behalf of the Board of Directors
STT Global Data Centres India Private Limited

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration no: 101248W/W-100022

Glenn D'souza
Partner
Membership No: 112554

Sumit Mukhija
Chief Executive Officer

Bruno Lopez
Director
DIN : 07554875

Pratibha Khandelwal Advani
Director
DIN : 07456126

Bimal Khandelwal
Chief Financial officer

Mumbai
Dated: 10 June 2019

Mumbai
Dated: 10 June 2019

STT Global Data Centres India Private Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

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 5th Floor, Tower B, Plot No. C21 & C36, 'G' Block, Bandra Kurla Complex Mumbai – 400098.Corporate identification number: U74999MH2007PTC176737.

The Company is a subsidiary of STT India DC Pte. Ltd.

2. Significant accounting policies

a. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referrred 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.

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.

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 30 – 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.

2. Significant accounting policies *(Continued)*

d. Significant accounting judgements, estimates and assumptions (Continued)

Provisions and contingent liabilities *(Continued)*

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.

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 including capitalised borrowing cost.

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 n 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.

2. Significant accounting policies *(Continued)*

f. Property, plant and equipment (Continued)

Estimated useful lives of the assets are as follows:

Property, plant and equipment	Old estimated useful lives	New estimated useful lives w.e.f 1 April 2018	Note reference below
Plant and machinery			
- Network equipment and components	3 to 8 years	3 to 8 years	Note 3
- **Electrical equipment and installations**	10 years		Note 1
- Power Cables, Power distribution boards, Chillers and other Electrical Installation		15 years	Note 2
- DG Set and transformers		20 years	Note 2
- LT and HT Panels		18 years	Note 2
- HVAC and low side work		12 years	Note 2
- Batteries	3 to 10 years	5 years	Note 2
- UPS and PAC	10 years	10 years	Note 1
- Other plant and machinery	15 years	15 years	Note 1
Office equipment - Integrated building management systems	8 years	15 years	Note 2
Leasehold improvements	Asset life or lease period whichever is less	Asset life or lease period whichever is less	Note 1
Building			
- RCC structure	60 years	60 years	Note 1
- Temporary structures	3 years	3 years	Note 1
Furniture and fixtures	10 years	10 years	Note 1
Office equipment	5 years	5 years	Note 1
Computers			
- End user devices like laptops and desktop	3 years	3 years	Note 1
- Server and network	6 years	6 years	Note 1

1. On the above categories of assets, the depreciation has been provided as per useful life prescribed in Schedule II to the Companies Act, 2013.
2. During the year, the company conducted a review of useful life of all its Data Centre equipment's comprising of transformers, racks, air-conditioner, chillers etc. Based on technical advice, there is a change in expected useful life of the assets. The useful life of these assets has been changed as per the table above. The Company has accounted for depreciation using revised expected useful life effective from 1 April 2018.
3. 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. Significant accounting policies *(Continued)*

f. Property, plant and equipment (Continued)

4. 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.

Estimated useful lives of intangible assets are as follows:

Software and Application	3 to 6 years

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.

2. Significant accounting policies *(Continued)*

h. Impairment of non- financial asset (Continued)

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.

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.

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.

2. Significant accounting policies *(Continued)*

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.

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) and Restricted stock unit plan (RSUP) units. The fair value of the amount payable to employees in respect of AUP and to directors in respect of RSUP, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees and the directors 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 and RSUPs. 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.

2. Significant accounting policies *(Continued)*

j. Employee benefits (Continued)

iii. Post-employment benefits *(Continued)*

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.

iv. Other long-term employee benefits

The employees can carry forward a portion of the unutilised accrued compensated absence and utilise it in future service periods or receive cash compensation on termination of employment. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligations at the Balance sheet date based on an actuarial valuation by an independent actuary using the Projected Unit Credit Method. The discount rates used for determining the present value of the obligations under the defined benefit plan are based on the market yields on government securities as at the Balance sheet date.

k. Revenue recognition

Income from operations consist of revenue from Data centre services comprising of co-location and managed services.

The Company has applied Ind AS 115, with effective from 1 April 2018, which replaces Ind AS 18 Revenue Recognition, Ind AS 11 Construction Contracts and related guidance. The Company has adopted Ind AS 115 using the retrospective method. As a result, each comparative period will be restated and the cumulative effect of initially applying this standard will be recognised in equity at the start of the earliest comparative period presented (i.e. 1 April 2017). Refer note 37 for details of transition of Ind AS 115.

Revenue is recognized when a contract exists with the customer, measured based on the amount entitled to be received for the performance obligation and recognized when it satisfies its performance obligation (transfer of control) which may be either over time (service) or at a point in time (product). One time charges for set up activities are amortised over the contract period on a straight line basis.

The Company recognizes revenue from co-location services which consists of space, power, cooling, physical security, storage, networking and one time charges for set up activity. The Company also recognizes revenue from support services and managed services contracts.

As the services rendered by the Company (and the value derived by the customer) is continuous over the term of the contract, revenue from co-location services is recognised on a straight-line basis over the contract term. Revenue from support services and managed service contracts are recognised in the period in which the services are rendered.

2. Significant accounting policies *(Continued)*

k. Revenue recognition (Continued)

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Direct costs solely related to obtaining revenue contracts are capitalized as costs of obtaining a contract, when they are incremental and if they are expected to be recovered. Contract costs are amortized over the contract period on a straight-line basis.

The Company incurs commission cost that are solely incremental to obtaining contracts with customer that would not otherwise be incurred.

Contract assets represents effect of straight lining of revenue of customers and hence the does not has the unconditional right to consideration. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required as per contractual terms. The Company recognises contract assets when there is an excess of revenue earned over billing on contract.

A contract liability is recognised when the Company has an unconditional right to a payment before it transfers goods or services to customers. The billing schedules agreed with customers include periodic performance based payments. Invoices are payable within contractually agreed credit period.

The summary of the impacts on initial application of Ind AS 115 on the Company's financial position as at 1 April 2017 and 31 March 2018 and on the Company's profit or loss and other comprehensive income for the year ended 31 March 2018 is mentioned in note 37.

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.

2. Significant accounting policies *(Continued)*

m. Taxation (Continued)

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 (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.

2. Significant accounting policies *(Continued)*

n. Fair value measurement (Continued)

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 ₹, 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. Where the funds used to finance a project, forms part of general borrowings, the amount capitalised is calculated using an applicable weighted average rate. 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.

2. Significant accounting policies *(Continued)*

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.

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.

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.

2. Significant accounting policies *(Continued)*

r. Financial instruments (Continued)

Non – derivative financial instruments *(Continued)*

A. Financial assets *(Continued)*

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

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; (except for FVOCI – Equity instruments)

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.

2. Significant accounting policies *(Continued)*

r. Financial instruments (Continued)

Non – derivative financial instruments *(Continued)*

A. Financial assets *(Continued)*

v. Impairment of financial assets *(Continued)*

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.

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.

2. Significant accounting policies *(Continued)*

s. Recent accounting pronouncements

Standard issued but not yet effective:

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases

Ind AS 116 is applicable for financial reporting periods beginning on or after 1 April 2019 and replaces existing lease accounting guidance, namely Ind AS 17 Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e., rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. The Company plans to apply Ind AS 116 on 1 April 2019, using the modified retrospective approach. Therefore, the impact (if any) on adoption of the new standard will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

With effect from April 01, 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

Previously, the Company recognised operating lease expense on a straight line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

2. Significant accounting policies *(Continued)*

s. Recent accounting pronouncements (Continued)

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgment, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

2. Significant accounting policies *(Continued)*

s. Recent accounting pronouncements (Continued)

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company does not expect any impact from this amendment.

Notes forming part of the financial statements *(Continued)*

as at 31 March 2019

Currency in Indian Rupees

3 Property, plant and equipment

Amount in ` lakhs

	Freehold Land	Leasehold Improvements	Office Buildings	Plant and Machinery	Furniture and Fixtures	Office equipment	Computers	Total	Capital work in progress
Gross Block									
At 1 April 2017	**-**	**6,538.34**	**1,882.91**	**112,602.89**	**3,783.88**	**14,676.89**	**89.01**	**139,573.92**	**2,596.93**
Additions	-	2,639.63	25.34	9,527.37	64.56	1,927.09	11.60	14,195.59	13,253.98
Disposals	-	-	-	(79.60)	-	-	-	(79.60)	-
Asset Written off	-	-	-	(256.27)	(13.84)	(1.13)	(1.78)	(273.02)	-
Adjustments	-	13.02	-	(58.73)	(28.40)	74.11	-	-	(14,196.99)
At 31 March 2018	-	**9,190.99**	**1,908.25**	**121,735.66**	**3,806.20**	**16,676.96**	**98.83**	**153,416.89**	**1,653.92**
Additions	7,975.93	2,246.09	82.73	10,958.51	135.69	1,377.45	205.43	**22,981.83**	43,676.24
Disposals	-	(0.18)	-	(2,819.14)	(28.07)	(41.19)	-	**(2,888.58)**	-
Asset Written off	-	-	-	-	-	-	-	-	-
Adjustments	-	119.91	(119.91)	-	-	-	-	-	(22,996.52)
At 31 March 2019	**7,975.93**	**11,556.81**	**1,871.07**	**129,875.03**	**3,913.82**	**18,013.22**	**304.26**	**173,510.14**	**22,333.64**
Accumulated Depreciation									
At 1 April 2017	**-**	**879.97**	**61.29**	**55,038.51**	**2,118.72**	**7,022.18**	**74.75**	**65,195.42**	-
Depreciation	-	754.29	34.35	10,463.64	372.35	1,555.72	9.15	13,189.50	-
Disposals	-	-	-	(74.87)	-	-	-	(74.87)	-
Asset Written off	-	-	-	(252.08)	(13.42)	(1.13)	(1.78)	(268.41)	-
Adjustments	-	8.64	-	(45.88)	(20.37)	57.61	-	-	-
At 31 March 2018	**-**	**1,642.90**	**95.64**	**65,129.32**	**2,457.28**	**8,634.38**	**82.12**	**78,041.64**	-
Depreciation/ Amortisation	-	1,108.20	52.06	6,273.13	336.64	867.06	39.40	**8,676.49**	-
Disposals	-	(0.03)	-	(2,558.17)	(26.25)	(34.42)	-	**(2,618.87)**	-
Asset Written off	-	-	-	-	-	-	-	-	-
Adjustments	-	27.52	(27.52)	-	-	-	-	-	-
At 31 March 2019	**-**	**2,778.59**	**120.18**	**68,844.28**	**2,767.67**	**9,467.02**	**121.52**	**84,099.26**	-
Net Block									
At 31 March 2019	**7,975.93**	**8,778.22**	**1,750.89**	**61,030.75**	**1,146.15**	**8,546.20**	**182.74**	**89,410.88**	**22,333.64**
At 31 March 2018	-	7,548.09	1,812.61	56,606.34	1,348.92	8,042.58	16.71	75,375.25	1,653.92
At 1 April 2017	-	5,658.37	1,821.62	57,564.38	1,665.16	7,654.71	14.26	74,378.50	2,596.93

a. Fixed assets are subject to first charge to secure the loans availed from bank (refer Note 15)

b. The Company has capitalised borrowing costs during the year ended 31 March 2019 amounting to ₹ 820.38 lakhs.

c. The Company has reviewed the estimated useful lifes of property, plant and equipment during the year ended 31 March 2019, which results in the change in the estimate of certain items plant and machinery and office equipments (refer note 2(f) to the financial statements. The effect of these changes on actual and expected depreciation expenses was as follows :

Particulars	**FY 18-19**	**FY 19-20**	**FY20-21**	**FY21-22**	**FY22-23**	**FY22-23 Later**
Increase/(decrease) in Depreciation	(4,805.76)	(3,334.59)	(2,528.96)	(2,093.13)	(2,207.73)	14,970.17

4. Other intangible assets

(₹ in lakhs)

	Software and application	Total
Cost		
Balance at 1 April 2017	**234.91**	**234.91**
Additions	1.41	1.41
Disposals	-	-
Transfers/write-offs	-	-
Balance at 31 March 2018	**236.32**	**236.32**
Additions	14.70	14.70
Disposals	-	-
Transfers/write-offs	-	-
Balance at 31 March 2019	**251.02**	**251.02**
Accumulated amortisation		
Balance at 1 April 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**
Amortisation for the year	45.61	45.61
On disposals	-	-
On transfers	-	-
Balance at 31 March 2019	**201.89**	**201.89**
Carrying Amount		
Balance at 31 March 2019	**49.13**	**49.13**
Balance at 31 March 2018	80.04	80.04
Balance at 1 April 2017	120.92	120.92

Intangible assets are subject to first charge to secure the loans availed from bank. Refer note 15.

5. Loans (security deposit)

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
	Considered good, unsecured – at amortised cost		
	Non-Current		
a.	Security deposits		
	- Receivable from related parties (Refer Note 33)	**1,670.92**	562.90
	- Others	**505.02**	41.99
		2,175.94	604.89

Loans are subject to first charge to secure the loans availed from bank. Refer note 15.

6. Deferred tax assets (net)

Major components of deferred tax asset and liability consist of the following:

(₹ in lakhs)

	As at 1 April 2018 (Restated)	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at 31 March 2019
Deferred tax assets arising out of timing differences on:				
Difference between accounting and tax depreciation / amortization	1,509.29	(1,785.06)	-	(275.77)
Provision for doubtful and other trade receivables	564.22	50.89	-	615.11
Provision for leave encashment	42.16	9.34	-	51.50
Provision for gratuity	91.36	(91.29)	6.10	6.17
Provision for stamp duty	570.37	(28.83)	-	541.54
Provision for AUP/RSUP	74.88	61.38	-	136.26
Interest received u/s 143(1)	67.42	(67.42)	-	-
Expenditure disallowed u/s.40 (a) (ia)	149.65	102.10	-	251.75
Adjustment related to Ind AS 115	11.73	(7.50)	-	4.23
Others	4.11	0.06	-	4.17
Total deferred tax assets (A)	3,085.19	(1,756.33)	6.10	1,334.96
Deferred tax liability arising out of timing differences on:				
Fair valuation of investments	47.81	(47.81)	-	-
Adjustment related to Ind AS 115	134.03	(61.12)	-	72.91
Others	39.25	(0.40)	-	38.85
Total deferred tax liabilities (B)	221.09	(109.33)	-	111.76
Deferred tax assets (net)	2,864.10	1,647.00	6.10	1,223.20

(₹ in lakhs)

	As at 1 April 2017 (Restated)	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31 March 2018 (Restated)
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
Adjustment related to AS 115	21.21	(9.48)	-	11.73
Others	4.07	0.04	-	4.11
Total deferred tax assets (A)	2,013.75	1,067.95	3.48	3,085.19

6. Deferred tax assets (net) *(Continued)*

Major components of deferred tax asset and liability consist of the following:

(₹ in lakhs)

	As at 1 April 2018 (Restated)	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at 31 March 2019
Deferred tax liability arising out of timing differences on:				
Fair valuation of investments	29.24	18.57	-	47.81
Adjustment related to AS 115	-	134.03	-	134.03
Others	5.09	34.16	-	39.25
Total deferred tax liabilities (B)	34.33	186.76	-	221.09
Deferred tax assets (net)	1,979.42	881.19	3.48	2,864.10

* Refer note 37 for details of restatement for changes in accounting policies consequent to adoption of Ind AS 115

7. Contract assets and contract liabilities

		As at 31 March 2019	As at 31 March 2018 Restated*
A	**Non-Current**		
	Contract assets	**578.12**	138.40
	Loss allowance	**-**	-
	Total Contract assets	**578.12**	138.40
	Total Contract liabilities	**916.66**	345.63
B	**Current**		
	Contract assets	**51.25**	-
	Loss allowance	**-**	-
	Total Contract assets	**51.25**	-
	Total Contract liabilities	**2,639.73**	1,625.89

Contract assets are subject to first charge to secure the loans availed from bank. Refer note 15.

7. Contract assets and contract liabilities *(Continued)*

Movement of Contract assets and Contract liabilities:

The following table reflects the movement of Contract assets and Contract Liabilities:

		As at 31 March 2019	As at 31 March 2018 Restated*
A	**Changes in Contract assets:**		
	Balance at the beginning of the year	**138.40**	71.34
	Contract assets recognised, net of reclassification to receivables	**490.97**	67.06
	Balance at the end of the year	**629.37**	138.40
B	**Changes in Contract liability:**		
	Balance at the beginning of the year	**1,971.52**	5,020.07
	Revenue recognised from prior year balance	**(1,625.89)**	(3,396.19)
	Cash received in advance and not recognised as revenue	**3.210.76**	347.64
	Balance at the end of year	**3,556.39**	1,971.52

* Refer Note 37 for details of restatement for changes in accounting policies consequent to adoption of Ind AS 115

8. Other assets

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018 Restated*
	Unsecured, considered good		
A	**Non-Current (refer Note 15)**		
a.	Capital advances	**6,446.27**	4,221.23
b.	Prepaid expenses	**744.90**	967.72
c.	Asset recognised from cost to obtain contracts (#)	**102.54**	140.33
d.	Balance with Government authorities	**115.26**	115.26
	Total (A)	**7,408.97**	5,444.54
B	**Current (refer Note 15)**		
a.	Prepaid expenses	**663.46**	524.76
b.	Indirect taxes recoverable	**1,055.31**	1,105.27
c.	Advance to contractors and vendors	**43.60**	234.00
d.	Interest receivable	**16.59**	-
f.	Asset recognised from cost to obtain contracts (#)	**106.08**	243.21
g.	Others	**39.34**	19.74
	Total (B)	**1,924.38**	2,126.98
	Total (A) + (B)	**9,333.35**	7,571.52

8. Other assets *(Continued)*

(#)On adoption of Ind AS 115, the Company recognised an asset in relation to cost incurred to obtain contracts. The asset is amortised on a straight line basis over the contract period. Applying the practical expedient in paragraph 94 of Ind AS 115, the company recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the company otherwise would have recognised is one year or less.

There was no impairment loss in relation to the costs capitalised.

	As at 31 March 2019	As at 31 March 2018 Restated*
Changes in Contract cost:		
Balance at the beginning of the year	**383.54**	-
Contract cost deferred during the year	**87.46**	564.12
Amortisation of contract cost	**(262.38)**	(180.58)
Balance at the end of year	**208.62**	383.54

* Refer Note 37 for details of restatement for changes in accounting policies consequent to adoption of Ind AS 115.

9. Investments

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Current		
Investments at fair value through profit or loss -Quoted Mutual Funds	**-**	17,693.89
Total	**-**	17,693.89

10. Trade receivables

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Trade receivables	**14,680.34**	17,649.69
Receivable from related party	**276.25**	1,232.23
Less: loss allowance (Refer note 31 (d))	**(1,760.28)**	(1,614.64)
Total	**13,196.31**	17,267.28

10. Trade receivables *(Continued)*

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Trade receivables considered good-secured (A)	**-**	-
Trade receivables considered good-unsecured	**13,519.86**	17,514.81
Less: Loss allowance (Refer note 31 (d))	**(323.55)**	(247.53)
Total (B)	**13,196.31**	17,267.28
Trade receivables -credit impaired	**1,436.73**	1,367.11
Less: Loss allowance (Refer note 31 (d))	**(1,436.73)**	(1,367.11)
Total (C)	**-**	-
Total (A+B+C)	**13,196.31**	17,267.28

i. For receivables secured against borrowings refer Note 15

ii. For receivables from related parties refer Note 33

11. Cash and cash equivalents

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
a.	Balances with banks (refer Note 15)	**958.54**	1,605.91
b.	Deposit with Scheduled banks having maturity less than three months (refer Note 15)	**14,695.00**	-
	Cash and cash equivalent as per Statement of cash flows	**15,653.54**	1,605.91

12. Other financial assets

(₹ in lakhs)

Current	As at 31 March 2019	As at 31 March 2018
Advance to other (refer Note 15)	**2,699.85**	-
Less: Loss allowance	**-**	-
Total	**2,699.85**	-

The Company had paid advance of ₹ 2,699.85 lakhs for purchase and construction of data centre in the previous year. The same was disclosed as "Capital advance" as on 31 March 2018. Due to non-fulfilment of the conditions precedent to the agreement by the other party the Company has, without prejudice to its other rights and remedies, sought the refund of entire amount paid by the Company. Consequently, the amount has been classified as "Other financial assets" as on 31 March 2019. Further on 23 May 2019, the Company has filed the injunction petition with the High Court against the other party.

13. Equity share capital

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
a.	Authorised:		
	15,00,00,000 (2018: 15,00,00,000) Equity shares of ₹10 each	**15,000.00**	15,000.00
b.	Issued, subscribed and paid up:		
	10,500 (2018: 10,000) equity shares of ₹10 each fully paid up (refer i below)	**1.05**	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 2019**		As at 31 March 2018	
	No of shares	**₹ in lakhs**	No of shares	₹ in lakhs
Opening balance	**10,000**	**1.00**	10,000	1.00
Add: Right issue during the year	**500**	**0.05**	-	-
Closing balance	**10,500**	**1.05**	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.

iii. Right issue of equity shares:

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.

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 was received 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.

13. Equity share capital *(Continued)*

iii. Shares held by holding company:

	As at 31 March 2019		As at 31 March 2018	
	No of shares	**₹ in lakhs**	No of shares	₹ in lakhs
STT India DC Pte. Ltd. (Holding Company w.e.f. 19 October 2016)	**7,770**	**0.78**	7,400	0.74
Tata Communications Limited (Holding Company upto 18 October 2016)	**2,730**	**0.27**	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 2019		As at 31 March 2018	
	No of shares	**Percentage**	No of shares	Percentage
STT India DC Pte. Ltd. (Holding Company w.e.f. 19 October 2016)	**7,770**	**74%**	7,400	74%
Tata Communications Limited (Holding Company upto 18 October 2016)	**2,730**	**26%**	2,600	26%

14. Other equity

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018 Restated*
a.	Securities premium	**13,464.38**	-
b.	General reserve	**8,750.00**	8,750.00
c.	Retained earnings	**21,508.51**	10,418.56
d.	Other comprehensive income	**(27.79)**	(16.42)
	Total	**43,695.10**	19,152.14

* Refer Note 37 for details of restatement for changes in accounting policies consequent to adoption of Ind AS 115.

15 Borrowings

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Non – current financial liabilities		
Secured		
Rupee loan from banks (net) (refer i below)	**92,792.00**	78,740.00
Less: Arrangement fees	**(1,197.51)**	(402.52)
Total (A)	**91,594.49**	78,337.48

i. Secured bank loan

Company had availed a loan facility of ₹ 1,60,000 lakhs from consortium of banks in financial year 2017-18 for repayment of existing loan and construction of new data centres. During the year the Company has drawn down ₹ 19,000 lakhs and the repaid quarterly loan installments totaling to ₹ 6,448 lakhs from this loan facility.

The company also availed sanction of fresh loan of ₹ 3,00,000 lakhs from consortium of banks, this loan is taken for construction of New data centres at various locations in India. Company had drawn ₹ 1,500 lakhs from this facility in March 2019.

The loan has been secured in favor 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).

In addition, to the above mentioned securities the fresh loan of ₹ 3,00,000 lakhs has been secured in favor of the Security Trustee acting for the benefit of the Secured Parties by way of first pari passu charge of mortgage of the immoveable assets of the Borrower, both present and future.

The carrying amounts of assets pledged as security for borrowings are as follows:

(₹ in lakhs)

Particulars	**As at 31 March 2019**
Non current assets	
Property, Plant and equipment	89,410.88
Capital work in progress	22,333.64
Other intangible assets	49.13
Loans	2,175.94
Income tax assets (net)	7,329.70
Contract assets	578.12
Other non-current assets	7,408.97
Current assets	
Trade receivables	13,196.31
Cash and cash equivalents	15,653.54
Unbilled receivables	3,474.77
Other financial asset	2,699.85
Contract assets	51.25
Other current assets	1,924.38

15 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 2019-20	6,448
FY 2020-21	9,058
FY 2021-22	9,058
FY 2022-23	9,058
FY 2023-24	9,118
FY 2024-25	9,622
FY 2025-26	9,622
FY 2026-27	11,279
FY 2027-28	12,891
FY 2028-29	12,891
FY 2029-30	195
	99,240

(₹ in lakhs)

	Interest Rate	Year of maturity	Carrying amount as at 31 March 2019
Secured Bank Loan	MCLR + 0.25%	2029	64,142.00
Secured Bank Loan	MCLR + 0.45%	2029	33,958.00
Secured Bank Loan	MCLR + 0.50%	2030	525.00
Secured Bank Loan	MCLR + 0.40%	2030	488.00
Secured Bank Loan	MCLR + 0.45%	2030	488.00
Total			99,240.00

Details of Covenant restrictions on bank loan

There is no financial covenant in the ₹ 160,000 lakhs old loan facility.

For the New loan of ₹ 300,000 lakhs financial covenants are as under.

(a) A minimum DSCR (Debt service coverage ratio) of 1.15 x till the financial year 2021; and

(b) A minimum DSCR of 1.20 x from financial year 2022 throughout the tenor of the facility

The Company has complied with the covenant throughout the required period. As at 31 March 2019, the DSCR was 2.43.

On the basis of the existing covenant and its forecasts, management believes that the risk of the new covenant being breached is low.

16. Other financial liabilities

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
A	**Non-current**		
a.	Cash settled incentive		
	(i) Appreciation Unit Plan (AUP) (refer Note 27(iii))	**84.46**	39.71
	(ii) Restricted Stock Option Plan (RSUP) (refer Note 38)	**186.56**	-
	Total (A)	**271.02**	39.71
B	**Current**		
a.	Current maturity of long term borrowings (refer Note 15)		
	Loan from banks	**6,448.00**	6,448.00
	Less: Arrangement fees	**(104.42)**	(40.23)
	Total	**6,343.58**	6,407.77
b.	Payable for capital goods		
	- Others	**4,616.08**	3,704.23
c.	Interest accrued on loan	**253.28**	212.74
d.	Accrued payroll	**1,235.10**	844.10
e.	Cash settled incentive		
	(i) Appreciation Unit Plan (AUP) (refer Note 27(iii))	**335.24**	58.71
	(ii) Restricted Stock Option Plan (RSUP) (refer Note 38)	**-**	-
f.	Other payables	**5.93**	6.41
	Total (B)	**12,789.21**	11,233.96
	Total (A) + (B)	**13,060.23**	11,273.67

17. Employee benefit obligations

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
A	**Non-current**		
	Employee benefit obligations (refer note 27)		
	- Compensated absences	**137.35**	108.20
	- Gratuity liability	**-**	209.08
	Total (A)	**137.35**	317.28
B	**Current**		
	Employee benefit obligations (refer note 27)		
	- Compensated absences	**20.07**	20.89
	- Gratuity liability	**-**	44.75
	Total (B)	**20.07**	65.64
	Total (A) + (B)	**157.42**	382.92

18. Other liabilities

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018 Restated*
A	**Non-current**		
a.	Others		
	- Lease equalization liability (refer Note 34)	**348.08**	245.80
	Total (A)	**348.08**	245.80
B	**Current**		
a.	Statutory dues #	**637.30**	922.59
b.	Others		
	- Lease equalisation liability (refer Note 34)	**246.38**	337.84
	- Others	**619.35**	418.54
	Total (B)	**1,503.03**	1,678.97
	Total (A) + (B)	**1,851.11**	1,924.77
	#Statutory dues include		
	i. TDS payable	361.24	70.40
	ii. Professional Tax	0.41	0.17
	iii. GST Payable	275.65	852.02

* Refer note 37 for details of restatement for changes in accounting policies consequent to adoption of Ind AS 115.

19. Trade payables

(₹ in lakhs)

		As at 31 March 2019	As at 31 March 2018
A.	Trade payables: micro enterprises and small enterprises (refer note 36)	**169.07**	50.86
	Total (A)	**169.07**	50.86
B.	(i) Trade payables: other than micro enterprises and small enterprises	**7,660.69**	5,617.12
	(ii) Trade payable to related parties (refer note 33)	**5,764.13**	13,053.00
	Total (B)	**13,424.82**	18,670.12
	Total (A + B)	**13,593.89**	18,720.98

20. Revenue from Operations

(₹ in lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018 Restated*
Revenue from Data centre services (#)	**93,584.70**	86,859.96
Total	**93,584.70**	86,859.96

* Refer Note 37 for details of restatement for changes in accounting policies consequent to adoption of Ind AS 115.

Include lease revenue of ₹ **3,863.56 lakhs** (2018: ₹ 3,735.40)

For the current year, the revenue recognised in the statement of profit and loss equals to the contracted price.

Unsatisfied performance obligations:

The Company has applied Ind AS 115 retrospectively using the practical expedient in paragraph C5 (d) of Ind AS 115 under which the Company does not disclose for reporting periods presented before the date of initial application:

a) The amount of transaction price allocated to the remaining performance obligations; nor

b) An explanation of when the entity expects to recognize that amount as revenue.

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially) satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations, which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving outcome based, and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc).

The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹ 1,70,374.82 lakhs out of which 36.97% is expected to be recognized as revenue in the next year and balance thereafter.

Variable consideration that is constrained and therefore not included in the transaction price is excluded in the amount presented above.

21. Other income

(₹ in lakhs)

		For the year ended 31 March 2019	For the year ended 31 March 2018
a.	Interest income		
	- Bank deposits (at amortised cost)	**316.70**	6.56
b.	Interest on income tax refund	**195.79**	333.60
c.	Gain on disposal of property, plant and equipment and intangibles (net)	**290.18**	32.32
d.	Gain on investments carried at fair value through profit or loss (net)	**662.49**	875.45
e.	Other non-operating income (net)		
	- Foreign exchange gain (net)	**24.84**	15.24
	- Miscellaneous income	**318.85**	274.35
	Total	**1,808.85**	1,537.52

22. Operating and other expenses

(₹ in lakhs)

		For the year ended 31 March, 2019	For the year ended 31 March, 2018 Restated*
a.	Power and fuel	**32,029.06**	27,125.00
b.	Rent	**11,832.13**	11,304.16
c.	Repairs and maintenance:		
	Buildings	**1,285.41**	440.33
	Plant and machinery	**4,373.40**	3,782.60
	Others	**1,633.31**	438.20
d.	Allowance for doubtful trade receivables	**145.64**	474.01
e.	Network and cable charges	**614.04**	524.70
f.	Rates and taxes	**834.17**	1,698.90
g.	Travelling	**268.83**	203.10
h.	Outsource services	**467.52**	1,779.66
i.	Legal and professional charges	**1,092.76**	822.69
j.	Commissions*	**262.38**	216.45
k.	Insurance	**191.33**	299.01
l.	Security charges	**789.68**	1,338.83
m.	Water charges	**258.34**	368.38
n.	Director's remuneration	**162.53**	231.76
o.	Corporate social responsibility expenditure (refer i)	**139.60**	80.27
p.	Other expenses (refer ii)	**814.85**	408.16
	Total	**57,194.98**	51,536.21

* Refer Note 37 for details of restatement for changes in accounting policies consequent to adoption of Ind AS 115

22 Operating and other expenses *(Continued)*

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 ₹ 139.60 lakhs (2018: ₹ 80.27 lakhs). The Company has spent ₹ 139.60 lakhs (2018: ₹ 80.27 lakhs) during the year on CSR activities mainly for skill development training.

ii. Other expenses include auditors' remuneration as follows (excluding taxes):

(₹ in lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Auditors' remuneration and expenses		
Audit fees	**18.00**	17.00
Tax audit fees	**3.00**	3.00
Other professional services	**12.50**	12.00
For reimbursement of expenses	**2.27**	4.16

23. Employee benefits expense

(₹ in lakhs)

		For the year ended 31 March 2019	For the year ended 31 March 2018
a.	Salaries, bonus and related costs	**4,303.84**	2,942.21
b.	Contribution to provident funds (refer Note 27)	**145.80**	95.61
c.	Gratuity expense (refer Note 27)	**31.73**	79.27
d.	Compensated absences	**39.68**	42.23
e.	Share based payments		
	- Cash settled incentive (refer Note 27)	**321.29**	98.41
f.	Staff welfare expenses	**196.79**	125.68
	Total	**5,039.13**	3,383.41

24. Finance costs

(₹ in lakhs)

		For the year ended 31 March 2019	For the year ended 31 March 2018
	Interest costs:		
a.	On loan from banks measured at amortised cost	**8,030.74**	9,175.05
c.	Interest on tax	**-**	246.03
d.	Others	**2.75**	19.17
	Total	**8,033.49**	9,440.25
	Less : Amount capitalised *	**820.38**	-
	Finance cost expensed in profit and loss	**7,213.11**	9,440.25

* The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's general borrowings during the year, ie. 8.66%.

25. Depreciation and amortisation expense

(₹ in lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation on property, plant and equipment	**8,676.49**	13,189.50
Amortisation of intangible assets	**45.61**	42.29
Total	**8,722.10**	13,231.79

26. Tax expense

i. Income tax recognised in Statement of Profit and loss:

(₹ in lakhs)

Particulars	**For the year ended 31 March 2019**	For the year ended 31 March 2018 Restated*
Current tax		
In respect of current year	**4,574.95**	4,740.43
In respect of prior years	**(87.67)**	(12.93)
Total Current tax (a)	**4,487.28**	4,727.50
Deferred tax		
In respect of the current year	**1,499.01**	(894.43)
In respect of the earlier years	**147.99**	13.24
Total deferred tax (b)	**1,647.00**	(881.19)
Total Income tax expense (a+b)	**6,134.28**	3,846.31

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 2019**	For the year ended 31 March 2018 Restated*
Profit before tax	**17,224.23**	10,805.82
Income tax expense calculated at 34.944% Tax rate (2018: 34.608% Tax rate)	**6,018.83**	3,739.67
Reasoning		
Effect of adjustments that are not deductible in determining taxable profit	**57.54**	133.77
Difference in tax rate	**(2.41)**	(27.45)
True up impact of prior years	**60.32**	0.32
Total	**115.45**	106.64
Income tax expense recognised in Statement of Profit and Loss	**6,134.28**	3,846.31

* Refer Note 37 for details of restatement for changes in accounting policies consequent to adoption of Ind AS 115

26. Tax expense *(Continued)*

iii. Income tax recognised in other comprehensive income

(₹ in lakhs)

Particulars	**For the year ended 31 March 2019**	For the year ended 31 March 2018
Deferred tax		
Re-measurements of the defined benefit obligation	**6.10**	3.48
Total Income tax	**6.10**	3.48
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	**6.10**	3.48

iv. The Company recognised deferred tax amounts directly in retained earnings as a result of changes in the accounting policies. (Refer note 37)

27. 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 ₹ 145.80 lakhs (2018: ₹ 95.61 lakhs) have been charged to the Statement of Profit and Loss, under Contribution to provident, gratuity and other funds in note 23 “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.

27. Employee Benefits *(Continued)*

ii. Defined benefit obligation – Gratuity *(Conitnued)*

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 2019 by an independent actuary.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	As at 31 March 2019	As at 31 March 2018
Principal Actuarial assumptions		
Discount rate	**7.40%**	7.50%
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.

27. Employee Benefits *(Continued)*

ii. Defined benefit obligation – Gratuity *(Continued)*

Amounts recognised in the Statement of Profit and Loss in respect of these defined benefit plans are as follows:

(₹ in lakhs)

		Year ended March	
		2019	2018
I	**Expenses recognised in the Statement of Profit and Loss**		
	Current service cost	**31.73**	14.88
	Past service cost – plan amendments	**-**	64.39
	Interest cost	**2.92**	11.02
	Components of defined benefit cost recognised in the Statement of Profit and Loss (Refer note 23 and 24)	**34.65**	90.29

		Year ended March	
II	**Expenses recognised in the Other Comprehensive Income**	**2019**	2018
	Actuarial changes arising from changes in Financial assumptions	**2.10**	(5.37)
	Actuarial changes arising from experience adjustments	**13.89**	15.43
	Actuarial changes arising from return on plan assets	**1.48**	-
	Components of defined benefit cost recognised in Other Comprehensive Income	**17.47**	10.06

During the year, the Company has opened a trust to manage the Gratuity plan, the contributions being administered by the Trustees. The details in respect of the funded/ unfunded (till June 2018) amounts recognised in the balance sheet for these defined benefit schemes are as under:

(₹ in lakhs)

		Gratuity	
Particulars		**As at 31 March**	As at 31 March
		2019	2018
III	**Amount recognised in the balance sheet**		
	Obligation at the end of the year	**273.95**	253.83
	Net liability arising from defined benefit obligation	**-**	253.83
	Non-current provision (Refer note 17A)	**-**	209.08
	Current provision (Refer note 17B)	**-**	44.75
IV	**Change in the defined benefit obligation**		
	Opening defined benefit obligation	**253.83**	158.78
	Current service cost	**31.73**	14.88
	Interest cost	**17.35**	11.02
	Past service cost – plan amendments	**-**	64.39
	Liability transferred to other companies	**-**	6.20
	Actuarial (gain) / loss on obligations- experience	**13.89**	15.43
	Actuarial (gain) / loss on obligations– financial assumptions	**2.10**	(5.37)
	Benefits paid (Company)	**(36.00)**	(11.50)
	Benefits paid (from plan assets)	**(8.95)**	
	Closing defined benefit obligation	**273.95**	253.83

27. Employee Benefits *(Continued)*

ii. Defined benefit obligation – Gratuity *(Continued)*

(₹ in lakhs)

Particulars		Gratuity	
		As at 31 March 2019	As at 31 March 2018
V	**Changes in Plan asset**		
	Fair value of plan assets, beginning of the year	**-**	-
	Interest Income	**14.43**	-
	Employers Contributions	**290.05**	-
	Benefits Paid	**(8.95)**	-
	Return on plan assets greater / (lesser) than discount rate	**(1.48)**	-
	Fair value of the plan assets, end of year	**294.05**	-
VI	**Funded status**		
	Surplus of Plan assets over obligations (Refer Note 8B(a))	**20.10**	-

VII A quantitative sensitivity analysis for significant assumption as at 31 March 2019 and 31 March 2018 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 2019	As at 31 March 2018
Discount rate		
Increase (1%)	**(19.86)**	(16.53)
Decrease (1%)	**22.54**	18.77
Salary escalation rate		
Increase (1%)	**13.21**	10.69
Decrease (1%)	**(12.69)**	(10.75)
Withdrawal Rate		
Increase (5%)	**0.74**	0.19
Decrease (5%)	**(1.65)**	(2.88)

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.

27. Employee Benefits *(Continued)*

ii. Defined benefit obligation – Gratuity *(Continued)*

(₹ in lakhs)

VIII	**Maturity profile of defined benefit plan**	**As at 31 March 2019**
	March 31, 2020	**24.27**
	March 31, 2021	**23.84**
	March 31, 2022	**28.58**
	March 31, 2023	**31.04**
	March 31, 2024	**41.51**
	March 31, 2024 to March 31, 2028	**248.34**
	Total expected payments	**397.58**
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 total liability for compensated absences as at the year end is ₹ 157.42 lakhs (2018: ₹ 129.09 lakhs), as shown under non-current provisions ₹ 137.35 (2018: ₹ 108.20 lakhs) and current provisions ₹ 20.07 lakhs (2018: ₹ 20.89 lakhs). The amount charged to the Statement of Profit and Loss is ₹ 48.60 lakhs (2018: ₹ 50.08 lakhs)	

iii. Share based payments

a. Description of cash settled payment arrangement

During the previous 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 Intial Value, subject to a minimum of NIL.

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.

27. Employee Benefits *(Continued)*

iii. Share based payments *(Continued)*

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 2019
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 For 2018 Grant	1st Tranche: 1 April 2018 2nd Tranche: 1 April 2019 3rd Tranche: 1 April 2020 4th Tranche: 1 April 2021
Vesting period - Options shall vest in four tranches For 2019 Grant	1st Tranche: 1 April 2019 2nd Tranche: 1 April 2020 3rd Tranche: 1 April 2021 4th Tranche: 1 April 2022
Expected time to exercise option (Range)	(15 days encashment window of 1st to 15th July annually)
Expected volatility	23.75% (24.51%)
Expected dividend	NIL (NIL)
Risk- free rate over vesting period(Range)	2018 Grant 7.10%, 2019 Grant 7.25%
Fair Value of each AUP as on grant date	2018 Grant 44, 2019 Grant 46.00
Fair Value of each AUP as on 31 Mar 2019	2018 Grant 76.03, 2019 Grant 61.02

c. Reconciliation of outstanding AUP Units

	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Number of units	**Weighted average exercise price (₹)**	Number of units	Weighted average exercise price (₹)
Outstanding at beginning of the year	**422,000**	**113.78**	-	-
Granted during the year	**755,800**	**119.42**	431,100	113.78
Forfeited during the year	**35,500**	**119.12**	9,100	113.78
Exercised during the year	**47,870**	**118.77**	-	-
Outstanding at the end of the year	**1,094,430**	**126.73**	422,000	113.78

d. Expense recognised in statement of profit and loss

For details on the employee benefits expense refer note 23

28. Earnings per share

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018 Restated*
Net profit after tax attributable to the equity shareholders (A)	**11,089.95**	6,959.51
Number of equity shares outstanding at the end of the year	**10,500**	10,000
Weighted average number of shares outstanding during the year (B)	**10,467**	10,000
Basic and diluted earnings per share (₹ per equity share of ₹ 10 each) (A/B) (In ₹)	**1,05,951.56**	69,595.10

* Refer Note 37 for details of restatement for changes in accounting policies consequent to adoption of Ind AS 115

Weighted average number of shares outstanding during the year:

	As at 31 March 2019	As at 31 March 2018
Opening balance	**10,000**	10,000
Effect of right issue of shares for cash	**467**	-
Weighted average number of shares outstanding during the year	**10,467**	10,000

29. Segment reporting

The Board of directors of the Company have 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 co-location services which comprises of space, power, cooling, physical security, storage, networking and one time charges for set up activity. 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, 2019**
Customer A	**29,818.85**
Customer C	**7,501.29**
Customer B	**7,980.70**

(₹ 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

30. 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.

Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2019 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	-	-	-	-
Loans	-	-	2,175.94	2,175.94
Other financial assets	-	-	2,699.85	2,699.85
Trade receivables	-	-	13,196.31	13,196.31
Cash and cash equivalents	-	-	15,653.54	15,653.54
Unbilled receivables	-	-	3,474.77	3,474.77
Total	**-**	**-**	**37,200.41**	**37,200.41**
Financials Liabilities:				
Borrowings	-	-	97,938.07	97,938.07
Other financial liabilities	-	-	6,716.65	6,716.65
Trade payables	-	-	13,593.89	13,593.89
Total	**-**	**-**	**118,248.61**	**118,248.61**

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 Restated*
Financial Assets:				
Investments	17,693.89	-	-	17,693.89
Loans	-	-	604.89	604.89
Trade receivables	-	-	17,267.28	17,267.28
Cash and cash equivalents	-	-	1,605.91	1,605.91
Unbilled receivables	-	-	3,305.72	3,305.72
Total	**17,693.89**	**-**	**22,783.80**	**40,477.69**
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**

30. Financial Instruments: *(Continued)*

* Refer note 37 for details of restatement for changes in accounting policies consequent to adoption of Ind AS 115

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables and trade payables as at 31 March 2019 and 31 March 2018 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 2019:

(₹ in lakhs)

		Level 1	Level 2	Level 3	Total
	Financial Assets				
i.	**Mutual funds**	**-**	**-**	**-**	**-**
	Total	**-**	**-**	**-**	**-**

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

There are no financial liabilities measured at fair value at the end of each reporting period.

31. 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 may invest in mutual funds, the returns on the same are recognised through profit or loss.

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 2019 and 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 2019 and 31 March 2018.

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 2019 and 31 March 2018.

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Financial liabilities – Borrowings	**99,240.00**	85,188.00

31. Financial risk management objectives and policies *(Continued)*

b) Interest Rate Risk *(Continued)*

Interest rate sensitivity analysis:

(₹ in lakhs)

	Profit before tax		Equity	
	For the year ended 31 March 2019	For the year ended 31 March 2018	**As at 31 March 2019**	As at 31 March 2018
Increase by 1%	**(992.40)**	(851.88)	**(645.61)**	(557.06)
Decrease by 1%	**992.40**	851.88	**645.61**	557.06

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)

The Company's objective is to try and protect the underlying values of the functional currency of respective 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 2019 and 31 March 2018.

(₹ in lakhs)

	As at 31 March 2019		As at 31 March 2018	
Currency	**Financial liabilities**	**Financial Assets**	Financial liabilities	Financial Assets
USD	**-**	**1,003.82**	-	1,344.96
SGD	**65.43**	**-**	6.46	-
Others	**35.08**	**76.15**	25.16	10.86

Foreign currency sensitivity analysis:

(₹ in lakhs)

	Profit before tax		Equity	
	For the year ended 31 March 2019	For the year ended 31 March 2018	**As at 31 March 2019**	As at 31 March 2018
Increase by 5%	**48.97**	66.21	**31.86**	43.07
Decrease by 5%	**(48.97)**	(66.21)	**(31.86)**	(43.07)

31. Financial risk management objectives and policies *(Continued)*

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.

Ageing of receivables

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018 Restated*
Within credit period	**5,663.79**	6,369.04
0-90 days	**3,413.44**	5,180.90
91-180 days	**2,634.74**	2,965.33
181-360 days	**1,257.35**	1,731.28
More than 360 days	**226.99**	1,020.73
Total Trade receivables	**13,196.31**	17,267.28
Unbilled receivables	**3,474.77**	3,305.72

* Refer Note 37 for details of restatement for changes in accounting policies consequent to adoption of Ind AS 115

Movement in expected credit loss allowance

(₹ in lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Opening balance	**1,614.64**	1,140.63
Net re-measurement of loss allowance	**145.64**	474.01
Balance at the end of the year	**1,760.28**	1,614.64

31. Financial risk management objectives and policies *(Continued)*

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, 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.

(₹ in lakhs)

Year ended 31 March 2019	On demand	0 to 12 months	1 to 5 years	>5 years	Total
Borrowings	-	6,448	36,292.00	56,500.00	99,240.00
Non-current financial Liabilities	-	-	-	271.02	271.02
Current financial liabilities	2,214.35	4,231.27	-	-	6,445.62
Trade payables	3,846.27	9,747.62	-	-	13,593.89

(₹ in lakhs)

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

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.

32. 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 2019**	As at 31 March 2018
Total equity attributable to the equity shareholders of the Company	**43,696.15**	19,153.14
As percentage of total capital	**30.85%**	18.43%
Current loans and borrowings	**6,343.58**	6,407.77
Non-current loans and borrowings	**91,594.49**	78,337.48
Total loans and borrowings	**97,938.07**	84,745.25
As a percentage of total capital	**69.15%**	81.57%
Total capital (loans and borrowings and equity)	**141,634.22**	103,898.40

33. 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.
B	Investing Company, its subsidiaries and joint ventures	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	Holding Company's its subsidiaries and Joint ventures	STT GDC Pte. Ltd. STT Communications Ltd

33. Related Party Transactions *(Continued)*

i. Names of related parties and nature of relationship *(Continued)*

Sr No	Category of related parties	Names
D	Key Managerial Personnel	Mr. Sumit Mukhija - CEO Mr. Ah Doo Lim - Director Mr. Bruno Lopez - Director Mr. Arjun Soota - Director (wef 30 Nov 2018) Mr. Tat Hiang Sio - Director Mr. Tri Luu Pham - Director Mr. Stephen Geofrey Miller - Director Mrs. Prathiba Khandelwal Advani – Director

ii. Summary of transactions and balances with related parties

(₹ in lakhs)

Particulars	Holding Company	Investing Company, its subsidiaries and joint ventures***	Key Management Personnel**	Total
Transactions				
Revenue from operations	-	8,553.32	-	8,553.32
	-	*8,996.19*	-	*8,996.19*
Other income	-	77.95	-	77.95
	-	*63.03*	-	*63.03*
Outsource services	-	1,348.37	-	1348.37
	-	*1,536.10*	-	*1,536.10*
Commission	-	75.07	-	75.07
	-	*600.00*	-	*600.00*
Rent	-	10,791.10	-	10,791.10
	-	*10,352.19*	-	*10,352.19*
Network and cable charges	-	56.62	-	56.62
	-	*383.83*	-	*383.83*
Other Expenses	-	124.67	-	124.67
	1.04	*322.72*	-	*323.76*
Rights issue of shares	9,963.68	3,500.75	-	13,464.43
Salaries and related costs	-	-	448.84	448.84
	-	-	*404.54*	*404.54*
Directors remuneration	-	-	162.53	162.53
	-	-	*231.76*	*231.76*
Brand equity	-	27.18	-	27.18
	-	*123.91*	-	*123.91*
Sale of property, plant and equipment*	-	1,309.54	-	1,309.54
	-	*30.38*	-	*30.38*

33. 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***	Key Management Personnel**	Total
Balances				
Receivables	-	276.25	-	276.25
	-	*1,232.23*	-	*1,232.23*
Payables	-	5,764.13	613.99	6,378.12
	-	*13,053.00*	*443.42*	*13.496.42*
Other current liability	-	324.11	-	324.11
	-	*44.55*	-	*44.55*
Deposits	-	1798.97	-	1798.97
	-	-	-	-
Other non current assets – capital advance and prepaid	-	5,678.80	-	5,678.80
	-	*229.63*	-	*229.63*
Lease equalization liability – current	-	246.38	-	246.38
	-	*337.84*	-	*337.84*
Lease equalization liability – non current	-	348.08	-	348.08
	-	*245.80*	-	*245.80*

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

33. Related Party Transactions *(Continued)*

iii. Statement of significant transaction

(₹ in lakhs)

Name of the Company	**For the year ended 31 March 2019**	For the year ended 31 March 2018
Holding Company		
STT India DC Pte. Ltd.		
Rights issue of shares	9,963.69	-
Investing Company, its subsidiaries and associates		
Tata Communication Limited		
Revenue from operations	7,980.70	8,042.48
Rent	10,791.10	10,352.19
Outsource services	839.85	1,536.10
Commission	75.07	600.00
Network and cable charges	56.62	383.83
Other expenses	124.67	58.36
Brand equity	27.18	123.91
Other income	43.01	63.03
Sale of property, plant and equipment	1,309.54	-
Trade payable	5,723.12	13,039.51
Rights issue of shares	3,500.75	-
Lease equalisation liability - Current	246.38	337.84
Lease equalisation liability – Non current	348.08	245.79
Security Deposit	1,798.97	-
Capital Advances	5,430.22	-
Other current liability	207.06	-
Tata Communications Transformation Services Limited		
Revenue from operations	17.28	13.43
Outsource services	508.52	264.35
Other current assets – Prepaid expenses	248.58	229.63
Trade receivable	50.31	31.12
Tata Communications (America) Inc.		
Revenue from operations	350.76	367.87
Trade receivable	42.42	498.90
Tata Communications (UK) Limited		
Revenue from operations	(53.30)	290.63
Trade receivable	-	412.67
Other Current Liability	66.72	0.13
Tata Communications Payment Solutions Limited		
Revenue from operations	155.20	165.98
Trade receivable	117.96	101.59
Other current liability	36.90	38.74
Tata Communications International Pte. Ltd		
Revenue from operations	104.31	102.79
Trade receivable	45.13	160.07

33. Related Party Transactions *(Continued)*

iv. Key management personnel compensation

(₹ in lakhs)

	Year Ended 31 March 2019	Year Ended 31 March 2018
Short-term employee benefits	**295.62**	350.47
Post- employment benefit	**12.60**	9.07
Share based payments – cash settled incentive	**140.63**	45.00
	448.84	404.54

i. 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.

34. 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 2019	As at 31 March 2018
Minimum lease payments under operating leases recognised as expense in the year	**11,368.53**	10,114.70

At the balance sheet date, minimum lease payments under non-cancellable operating leases fall due as follows:

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Due not later than one year	**6,898.02**	10,452.54
Due later than one year but not later than five years	**5,609.57**	5,797.46
Later than five years	**8,429.88**	-
	20,937.47	16,250.00

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:

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Due not later than one year	**3,863.56**	3,863.56
Due later than one year but not later than five years	**5,239.39**	9,102.85
Later than five years	**-**	-
	9,102.95	12,966.41

35. Contingent liabilities and commitments:

i. Contingent liabilities

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Claims against the Company not acknowledged as debt (refer 1 below)	**-**	35.58
Other claims (refer 2 below)	**374.69**	440.26

1. Claims against the Company not acknowledged as debt include income tax claims.

2. The Company had filed an appeal before Chief Controlling Revenue Authority ("CCRA") against the order dated January 9, 2018 passed by Collector of Stamps, Mumbai in the adjudication matter in respect of the lease deed dated March 28, 2014 executed in favour of the Company ("Lease Deed"). Under the Impugned Order, the Collector of Stamps, Mumbai ("Collector") had demanded payment of Rs. 4,68,34,170 towards stamp duty and Rs. 4,40,25,972/- towards penalty after construing the lease period as 20 years under the Lease Deed, which was challenged. On April 16, 2019, CCRA had passed its order wherein the penalty amount of Rs. 4,40,25,972 levied by the Collector was removed. However, since there was a reference of 'renewal for a further term as may be mutually agreed between the parties' in the recitals of the Lease Deed, CCRA has considered the same as renewal of another 20 years (making the term as 40 years – which requires maximum stamp duty to be paid) and has accordingly levied additional stamp duty of Rs. 3,74,68,907 based on the market price applicable for the property for the year 2014, with a direction of such payment to be made in 10 days. In the view of the Company and based on the legal advice received, CCRA has erred in deciding the aforementioned reference of renewal clause. Thus, the Company has decided to challenge the additional stamp duty levied of Rs 3,74,68,907 with appropriate authorities.

3. "The Hon'ble Supreme Court of India (SC) by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

   In view of the management, the liability from date of the SC order to 31 March 2019 including prior period is accounted assuming retrospective application of the Supreme Court's ruling. Further, pending decision on the subject review petition and directions from the EPFO, the impact with respect to certain former employees and whether interest and penalties may be assessed, if any, is not ascertainable and consequently no effect has been given in the accounts. Accordingly, this has been disclosed as a Contingent liability in the financial statements."

35. Contingent liabilities and commitments: *(Continued)*

ii. Capital commitments:

Estimated amount of contracts remaining to be executed on capital account, not provided for amount to **₹ 35,204.07 lakhs** (2018: ₹ 58,251.13 lakhs)

36. 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:

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
a. Principal amount remaining unpaid to any supplier as at the end of the accounting year	**-**	11.67
b. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**3.60**	0.20
c. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**1,338.39**	1,816.86
d. The amount of interest due and payable for the year	**3.60**	0.20
e. The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	0.10
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*	**169.07**	50.36

***** *Includes principal amount of ₹ 169.07 lakhs (2018: ₹ 38.49 lakhs) remaining unpaid to supplier prior to scheduled date*

37. Changes in accounting policies

Impact on financial statements

The Company has adopted IND AS 115 *Revenue from Contract with Customers* from 1 April 2018 retrospectively using the practical expedient in paragraph C5 (d) of IND AS 115 under which the Company does not disclose for reporting periods presented before the date of initial application:

(i) The amount of transaction price allocated to the remaining performance obligations; nor

(ii) An explanation of when the entity expects to recognize that amount as revenue.

The adoption of IND AS 115 has resulted in change in accounting policies and adjustments to the amounts recognized in the financial statements. In accordance to the transition provisions in IND AS 115, the Company has adopted the new rules retrospectively and has restated comparatives for the financial year ended 31 March 2018 with the cumulative effect of initially applying this standard recognized in Equity at the start of the earliest comparative period presented (i.e. 1 April 2017).

37. Changes in accounting policies *(Continued)*

Impact on financial statements *(Continued)*

The following tables show the adjustments recognized for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and the totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more details below.

(₹ in lakhs)

Balance Sheet (extract)	31 March 18 (As originally presented)	Increase/ (decrease)	1 April 18 Restated	31 March 17 (As originally presented)	Increase/ (decrease)	1 April 17 Restated
Non-Current Asset						
Deferred tax assets (net)	2,986.40	(122.30)	2,864.10	1,958.21	21.21	1,979.42
Contract assets	-	138.40	138.40	-	71.34	71.34
Other non-current assets	5,304.21	140.33	5,444.54	926.27	-	926.27
Total non-current assets	**8,290.61**	**156.43**	**8,447.04**	**2,884.48**	**92.55**	**2,977.03**
Current assets						
Unbilled receivables	6,038.28	(2,732.56)	3,305.72	5,029.11	(1,756.99)	3,272.12
Contract assets	-	-	-	-	-	-
Other current assets	1,883.77	243.21	2,126.98	1,929.65	-	1,929.65
Total current assets	7,922.05	(2,489.35)	5,432.70	6,958.76	(1,756.99)	5,201.77
Total assets	**16,212.66**	**(2,332.92)**	**13,879.74**	**9,843.24**	**(1,664.44)**	**8,178.80**
Non-current liabilities						
Contract liabilities	-	345.63	345.63	-	1,623.88	1,623.88
Other non-current liabilities	3,072.03	(2,826.23)	245.80	3,845.30	(3,278.89)	566.41
Total non-current liabilities	**3,072.03**	**(2,480.60)**	**591.43**	**3,845.30**	**(1,655.01)**	**2,190.29**
Current liabilities						
Contract liabilities	-	1,625.89	1,625.89	-	3,396.19	3,396.19
Other current liabilities	3,384.86	(1,705.89)	1678.97	4,179.39	(3,366.14)	813.25
Total current liabilities	**3,384.86**	**(80.00)**	**3,304.86**	**4,179.39**	**30.05**	**4,209.44**
Total Liabilities	**6,456.89**	**(2,560.60)**	**3,896.29**	**8,024.69**	**(1,624.96)**	**6,399.73**
Net Assets	**9,755.77**	**227.68**	**9,983.45**	**1,818.55**	**(39.48)**	**1,779.07**
Other equity – Retained earnings	18,924.48	227.68	19,152.14	12,238.69	(39.48)	12,199.21
Total equity	**18,924.48**	**227.68**	**19,152.14**	**12,238.69**	**(39.48)**	**12,199.21**

37. Changes in accounting policies *(Continued)*

Impact on financial statements *(Continued)*

(₹ in lakhs)

Statement of profit and loss (extract) for the year ended 31 March 2018	As originally presented	Increase/ (decrease)	Restated
Revenue from operations	86,832.84	27.13	86,859.96
Total Income	**86,832.84**	**27.13**	**86,859.96**
EXPENSES			
Operating and other expenses	51,919.75	(383.54)	51,536.21
Total Expenses	**51,919.75**	**(383.54)**	**51,536.21**
Profit before tax (III-IV)	**10,395.13**	**410.68**	**10,805.82**
Tax expense	3,702.79	143.52	3,846.31
Profit for the year (V - VI)	**6,692.36**	**267.15**	**6,959.51**
Total comprehensive income for the year, net of tax (VII + VIII)	**6,685.78**	**267.15**	**6,952.93**
Earnings per share	**66,923.60**	**2,671.50**	**69,595.10**

In summary, the following adjustments were made to the amounts recognised in the balance sheet at the date of initial application (31 March 2018) and the beginning of the earliest period presented (1 April 2017):

(₹ in lakhs)

Balance Sheet (Extracted)	Note No.	31 March 2018 (As Originally Presented)	Re classification	Re measure ments	1st April 18 Restated
Deferred Tax Asset (net)	(i),(ii)	2,986.40	-	(122.30)	2,864.10
Other Non-Current Assets	(i)	5,304.21	-	140.33	5,444.54
Other Current Assets	(i)	1,883.77	-	243.21	2,126.98
Contract Assets	(iii)	-	138.40	-	138.40
Unbilled Receivables	(iii)	6,038.28	(2,732.56)	-	3,305.72
Contract Liabilities	(iii)	-	1,937.96	33.56	1,971.52
Other Non-Current Liabilities	(iii)	3,072.03	(2,826.23)	-	245.80
Other Current Liabilities	(ii),(iii)	3,384.86	(1,705.89)	-	1,678.97

(₹ in lakhs)

Balance Sheet (Extracted)	Note No.	31 March 2017 (As Originally Presented)	Re classification	Re measure ments	1st April 17 Restated
Deferred Tax Asset (net)	(i),(ii)	1,958.21	-	21.21	1,979.42
Contract Assets	(iii)	-	71.34	-	71.34
Unbilled Receivables	(iii)	5,029.11	(1,756.99)	-	3,272,12
Other Non-Current Liabilities	(ii), (iii)	3,845.30	(3,309.53)	30.64	566.41
Contract Liabilities	(iii)	-	5,020.07	-	5,020.07
Other Current Liabilities	(ii), (iii)	4,179.39	(3,396.19)	30.05	813.25

37. Changes in accounting policies *(Continued)*

Impact on financial statements *(Continued)*

The impact on the Company's retained earnings as at 1 April 2018 and 1 April 2017 is as follows:

(₹ in lakhs)

Particulars	Notes	1 April 2018	1 April 2017
Retained Earnings		18,924.46	12,238.69
Opening Impact as on 1April 17		(39.48)	-
Recognition of asset for cost to obtain a contract	(i)	383.54	-
Increase in deferred tax liability	(i)	(134.03)	-
Deferral of Non-Recurring Charges (NRC) Revenue	(ii)	27.13	(60.69)
Increase in deferred tax asset	(ii)	(9.48)	21.21
Adjustment to retained earnings from adoption of IND AS 115		**227.68**	(39.48)
Retained Earnings		**19,152.14**	12,199.21

(i) Accounting for costs to obtain a contract

In 2017-18, costs amounting to ₹ 383.55 lakhs related to commission for obtaining customer contracts were expensed as incurred. However, these costs are directly related for obtaining the customer contracts and are expected to be recovered. They were therefore capitalized as cost to obtain a contract following the adoption of IND AS 115 and included in other non-current and other current assets in the Balance Sheet as on 31 March 2018. A deferred tax liability of ₹ 134.03 lakhs was recognised, resulting in net adjustment to retained earnings of ₹ 249.52 lakhs. The asset is amortised on a straight line basis over the term of the specific contract it relates to.

(ii) Deferral of upfront Non-recurring charges (NRC) revenue over the contract term

On adoption of IND AS 115, the Company has deferred the NRC revenue over the contract period. The Company previously charged the same in the profit and loss.

(iii) Presentation of assets and liabilities related to contracts with customers

The Company has also changed the presentation of certain amounts in the Balance Sheet to reflect the terminology of IND AS 115:

- Contract assets recognised in relation to long-term contracts were previously presented as part of unbilled receivables and other current assets (₹ 138.40 lakhs as at 31 March 2018; ₹ 71.34 lakhs as at 1 April 2017). Contract assets represents the effect of straight lining of revenue of customers and hence the Company does not have the unconditional right to consideration.
- Contract liabilities were previously included in other current and noncurrent liabilities (₹ 1,971.52 lakhs as at 31 March 2018; ₹ 5,020.07 lakhs as at 1 April 2017). Contract liabilities represent deferred revenue arising from the contracts.

38. Cash settled Restricted Share Units

Cash-settled RSU (Restricted Share Units) are granted to directors as 50% fees towards compensation with respect to their appointments and attendance for the board and committee meetings. Each grant is subject to the retention condition of the grant, and is exercisable during the annual two-week exercise period. The retention condition requires 50% of the units of each grant to be retained by the Director up to the earlier of 4 years from the start date of each grant or one year after he ceases to be a Director.

For the period 19 October 2016 to 31 March 2018, the RSU granted were 77,210 Units and for the period 1 April 2018 to 31 March 2019 the RSU granted are 64,520 Units.

The units are granted from the 50% fees payable to the directors and balance is to be settled in cash.

The initial price for each grant is set at ₹ 100 per RSUP unit. During each exercise period, a "final value" will be determined for each unit of the respective grant based on ₹ 100 adjusted by the compounded portfolio shareholders' return relative to the initial unit price at the start date of each grant up to the valuation date. For any RSUP unit exercised, its "final value" will be payable in cash to the Directors.

The key assumptions applied in the estimate of fair values are as follows:

Year of Grant	**Grant 2019**	Grant 2018
Fair value at 31 March 2019	**119.42**	141.84
Expected Volatility	**23.75%**	24.51%
Risk Free Return	**7.10%**	7.25%
Expected Remaining life	**7 years**	6 years

	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Number of options	**Weighted average exercise price (₹)**	Number of options	Weighted average exercise price (₹)
Outstanding at beginning of the year	**-**	**-**	-	-
Granted during the year	**1,41,730**	**119.07**	-	-
Forfeited during the year	**-**	**-**	-	-
Exercised during the year	**-**	**-**	**-**	**-**
Outstanding at the end of the year	**1,41,730**	**131.63**	**-**	**-**

39. Approval of financial statements

The financial statements were approved for issue by the board of directors on 10 June 2019.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

STT Global Data Centres India Private Limited

Glenn D'souza
Partner
Membership No: 112554

Sumit Mukhija
Chief Executive Officer

Bruno Lopez
Director
DIN : 07554875

Pratibha Khandelwal Advani
Director
DIN : 07456126

Bimal Khandelwal
Chief Financial officer

Mumbai
Dated: 10 June 2019

Mumbai
Dated: 10 June 2019