Company Registration No 2983774

Cable and Wireless (India) Limited

Directors' report and financial statements

31 March 2011

Registered Office
Waterside House
Longshot Lane
Bracknell
Berkshire
RG12 1XL

Contents

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2011

Principal activities and review of developments
The Company operates through a branch in India and is engaged in the design, implementation and maintenance of telecommunication networks for large, multinational clients in India No change in the Company's activities is envisaged in the foreseeable future

Business review
The Indian economy is growing rapidly In line with the country's growth, dependence on the telecom infrastructure is increasing The Indian telecommunications market has been dramatically changing in recent years and is still an emerging sector with great scope for business development

The Company's current strategy is to provide high quality managed services to customers in the financial services, IT enabled services and carrier segments and delivering services that create value through addressing specific needs In tune with this, there is investment in capabilities that will differentiate the Company from its competitors

During the year, the Company has made improving the customer service experience a key focus The last few years have seen the Company expanding its offering to include equipment resale and related support to provide a more complete package to customers Whilst the network services business has been predictable, the equipment resale segment has been a high volume business impacted by the cyclical nature of customers' infrastructure ramp up

Principal risks and uncertainties
Operating profits are 6% lower compared to the previous year due to the Company's commitment to the new strategy and cyclical nature of equipment resale The increase in competitors in the last few years is due in part to the relaxation of the direct foreign investment limits and this has created some price erosion This has been a factor in the move to improving the customer experience and differentiating the Company There are several constraints within the market, which includes extensive government regulation and the lengthy regulatory reform process, both of which Cable and Wireless (India) Limited is continuing to monitor and comply with

Cable and Wireless (India) Limited is addressing the risk to future success systematically By maintaining its commitment to invest in new technologies, such as the next generation network, the Company has been able to provide the right technology to its customers

Further, a key risk to the Company's strategy is the potential failure to meet commitments to customers As a result the Company maintains a distaster recovery programme and continually endeavours to introduce appropriate new and sophisticated technologies

The Company's success is also dependent on its ability to deliver a good service to its customers Delivering this ambition relies on having happy, motivated colleagues As a result the recent processes put in place to recruit, train and retain colleagues, as well as offering fast-track development paths is being maintained This is being supported by an ongoing salary benchmarking to the market rates

Directors' report
(continued)

Key performance indicators

Measurement of how the Company is performing against its aims and strategies is currently based on two key performance indicators, EBITDA as a percentage of revenue and headcount EBITDA is calculated as all operating profits or losses before interest, taxation, depreciation and amortisation

	2011	2010
EBITDA as a percentage of revenue	12 5%	15 2%
Headcount	424	322

EBITDA as a percentage of revenue is 12 5% for the year ended 31 March 2011 has decreased as compared to EBITDA of 15 2% in the prior year This is largely the result of the implementation of new strategies to focus on high value customers and strengthen the existing infrastructure of the Company and increased colleague numbers, combined with the cyclical nature of equipment resale

Results and dividends

The profit for the year amounts to £446,604 (2010 profit of £411,071)

The Directors do not recommend the payment of a dividend (2010 £nil)

The Directors consider that the Company has sufficient funding to meet its financial needs as they fall due for a period of not less than 12 months from the date of these financial statements Accordingly the Directors have prepared the financial statements on a going concern basis

Policy and practice on payment of creditors

The Company agrees payment terms with its suppliers when it enters into binding purchase contracts The Company seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods and services in accordance with the agreed terms and conditions The Company seeks to treat all suppliers fairly and has a standard which deals specifically with the payment of suppliers

Directors of the company

The Directors who held office during the year and subsequent to the year end were

I J Gibson (resigned 13 September 2011)

K S Thilakan

N J Morgan (Alternate Director to I J Gibson) (resigned 13 September 2011)

A R Kinch (appointed 13 September 2011)

All Directors benefit from qualifying third party indemnity provisions that were in place during the financial year and at the date of this report

Directors' report
(continued)

Employees

The Company has developed employment policies that comply with local requirements and meet relevant standards on employment of disabled people Full and fair consideration is given to disabled applicants for employment and training, and career development is encouraged on the basis of aptitude and abilities It is the policy of the Company to retain employees who become disabled whilst in its service and to provide specialist training where appropriate

As a Company within a global telecommunications group, great emphasis is placed on effective employee communications and direct communication programmes have been established The Company values the involvement of its employees and continues to keep them informed on any matters affecting them and factors relevant to the performance of the Company Colleague representatives are consulted regularly on a wide range of issues affecting their current and future interests

Political and charitable contributions

The Company made no disclosable political or charitable donations or incurred any political expenditure during the year (2010 £nil)

Disclosure of information to the auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

By order of the Board

J P A Moore
Company secretary
Date 30 November 2011

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year Under that law the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period

In preparing these financial statements, the Directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

Independent Auditor's report to the members of Cable and Wireless (India) Limited

We have audited the financial statements of Cable and Wireless (India) Limited for the year ended 31 March 2011, set out on pages 6 to 18 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor s report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' responsibilities in respect of the Directors' report and the financial statements (set out on page 4), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB s) Ethical Standards for Auditors

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Peter Meehan (Senior Statutory Auditor)
For and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Date 30 November 2011

Profit and loss account

For the year ended 31 March 2011

	Note	2011 £	2010 £
Turnover	2	8,068,130	6,219,205
Operating expenses		(7,494,642)	(5,640,411)
Operating profit		573,488	578,794
Loss on sale of fixed assets		(42)	(782)
Interest receivable and similar income	5	41,920	45,964
Interest payable and similar charges	6	(51,495)	(138,617)
Profit on ordinary activities before taxation	3	563,871	485,359
Taxation	7	(117,267)	(74,288)
Profit for the financial year		446,604	411,071

The results for the period are derived entirely from continuing operations

There is no difference between the reported result and that which would be reported under the historical cost convention

Statement of total recognised gains and losses
For the year ended 31 March 2011

	2011 £	2010 £
Profit for the financial year	446,604	411,071
Currency translation difference arising on branch account	(221,270)	299,896
Total recognised gains relating to the year	225,334	710,967

Reconciliation of movements in shareholders' funds

For the year ended 31 March 2011

	2011 £	2010 £
Profit for the financial year	446,604	411,071
Foreign exchange translation	(221,270)	299,896
Net addition to shareholders' funds	225,334	710,967
Opening shareholders' funds at 1 April	2,354,432	1,643,465
Closing shareholders' funds at 31 March	2,579,766	2,354,432

Balance sheet
as at 31 March 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	8	981,853	769,939
Current assets			
Debtors - including £396,712 (2010 £376,288) due after more than one year	9	2,900,140	3,610,193
Cash at bank and in hand		832,247	597,336
		3,732,387	4,207,529
Creditors Amounts falling due within one year	10	(2,134,474)	(2,623,036)
Net current assets		1,597,913	1,584,493
Net assets		2,579,766	2,354,432
Capital and reserves			
Called up share capital	11	1,000,000	1,000,000
Profit and loss account	12	1,579,766	1,354,432
Total shareholders' funds		2,579,766	2,354,432

These accounts were approved by the Board of Directors on 30 November 2011 and signed on its behalf by

A.R.Ki

A R Kinch
Director

Notes to the financial statements

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The financial statements have been prepared on a going concern basis The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' report on page 1

The Directors have reviewed the financial position of the Company, including the arrangements with Cable&Wireless Worldwide Group undertakings The Directors have also considered the financial position of the Company's parent Cable & Wireless Worldwide plc and the Cable&Wireless Worldwide Group, including centralised treasury arrangements, the availability of a £300 million revolving credit facility and at 31 March 2011, cash and cash equivalent balances of £266 million

On the basis of their assessment of the Company's financial position and of the enquiries made of the Directors of Cable & Wireless Worldwide plc, the Company's Directors have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the Cable&Wireless Worldwide Group to continue as a going concern Accordingly they expect that the Company will be able to continue in operational existence for the foreseeable future and hence continue to adopt the going concern basis of accounting in preparing the annual financial statements

Cash flow statement

Under FRS 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking A consolidated cash flow statement is included in the financial statements of Cable & Wireless Worldwide plc in which the Company is consolidated and which are publicly available from the address in note 16

Turnover

Turnover, which excludes discounts, Value Added Tax and similar sales taxes, represents the amount receivable in respect of telecommunications services provided to customers and is accounted for on the accruals basis, to match revenues with provision of service

Turnover from voice, data and IP services are recognised as the services are provided In respect of services invoiced in advance amounts are deferred until provision of the service

Amounts payable by and to telecommunications operators of national and international networks are recognised as services are provided Charges are negotiated separately and are subject to continual review Revenues generated through the provision of these services are accounted for gross of any amounts payable to other telecommunications operators for interconnect fees

Notes to the financial statements

(continued)

1 Accounting policies *(continued)*

Turnover *(continued)*
The Company earns revenue from the transmission of content on its network originated by third-party providers The Company assesses whether revenue should be recorded gross as principal or net as agent, based on the features of such arrangements including the following indicators

- whether the Company holds itself out as an agent,
- establishment of the price,
- provision of customer remedies,
- performance of part of the service, and
- assumption of credit risk

Revenues from sales of telecommunication equipment are recognised upon delivery to the customer Connection revenues are recognised upon connection of the customer to the network Costs of connecting a customer to a network are also charged to the profit and loss account at the point when the customer connects to the network

Revenues arising from the provision of other services, including maintenance contracts, are recognised evenly over the periods in which the service is provided

Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses The cost of fixed assets includes materials, direct labour and other incremental costs applicable to the design, construction and connection of the telecommunications networks and equipment

Depreciation is provided on the difference between the cost of tangible fixed assets and their estimated residual value in equal instalments over the estimated useful life of the assets These lives are

Plant and machinery	3 to 5 years
Leasehold assets	leasehold terms

Leased assets
Where assets are financed by leasing agreements that give rights approximating to ownership, the assets are treated as if they had been purchased outright The amount capitalised is the present value of the minimum lease payments payable during the lease term The corresponding leasing commitments are shown as obligations to the lessor Lease payments are split between capital and interest elements using the annuity method Depreciation on the relevant assets and interest are charged to the profit and loss account

All other leases are operating leases and the annual rentals are charged to operating profit on a straight line basis over the lease term

Foreign currencies
Transactions are recorded in sterling at the rate of exchange ruling on the date of the transaction All monetary assets and liabilities are translated at the rates ruling at the balance sheet date

The assets and liabilities of overseas branch are translated at the closing exchange rates Profit and loss account of such undertaking is translated at the average rates of exchange during the year Gains and losses arising on these translations are taken to reserves

All other exchange differences arising are dealt with through the profit and loss account

Notes to the financial statements

(continued)

1 Accounting policies *(continued)*

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Pension scheme

Employees of the Company have access to a defined contribution pension scheme The assets of the scheme are held separately from those of the Company in an independently administered fund The amount charged to the profit and loss account is the cost of the contributions payable to the above scheme in respect of the accounting period

2 Turnover

The turnover, all of which arises in India, is attributable to one activity the provision of a customised telecommunications network service

3 Notes to the profit and loss account

Profit on ordinary activities before taxation is stated after charging

	2011 £	2010 £
Operating lease charges - offices and buildings	294,597	230,908
Auditor's remuneration	5,665	3,976
Other services - tax compliance	2,266	10,563
Depreciation of tangible assets	462,594	364,546

In addition to the above stated auditor's remuneration of the Indian Branch, the auditor's remuneration of £4,000 (2010 £3,000) for the audit of these financial statements has been borne by another group company

Notes to the financial statements

(continued)

4 Information regarding Directors and employees

The Company had 424 employees including the Directors during the year (2010 322) One Director received remuneration from the Company (2010 one)

The Directors' remuneration for the year was as follows

	2011	2010
	£	£
Director's remuneration		
Wages and salaries	12,166	26,415

The Company participates in a defined contribution scheme During the year, the Company paid £524 (2010 £1,378) into the scheme on behalf of one Director (2010 one)

	2011	2010
	£	£
Aggregate employee costs		
Wages and salaries	4,011,738	3,251 571
Other pension costs	267,830	149,821
	4,279,568	3,401,392

5 Interest receivable and similar income

	2011	2010
	£	£
Foreign exchange gains	1,699	-
Interest receivable from short term deposits	34,089	5,209
Interest receivable from income tax refund	6,132	40,755
	41,920	45,964

6 Interest payable and other similar charges

	2011	2010
	£	£
Interest on loans from group undertakings	32,050	2,103
Finance charges payable on finance leases and hire purchase contracts	19,445	43,406
Foreign exchange losses	-	93,108
	51,495	138,617

Notes to the financial statements
(continued)

7 Taxation

Analysis of credit/charge for the year

	2011 £	2010 £
UK corporation tax		
Corporation tax charge	117,267	74,288
Double taxation relief	(117,267)	(74,288)
	-	-
Foreign taxation		
Current overseas tax on income	117,267	74,288
Total tax on profit on ordinary activities	117,267	74,288

Factors affecting current tax charge for the year

The current tax charge is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 28% (2010 - 28%) The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before taxation	563,871	485,359
Corporation tax at standard rate	157,884	135,901
Depreciation in excess of capital allowances	80,714	56,593
Other timing differences	-	1,584
Double tax relief	(117,267)	(74,288)
Overseas branch tax	117,267	74,288
Group relief claimed without payment	(121,331)	(119,790)
Current tax for the period	117,267	74,288

Deferred tax assets within the UK of £875,422 (2010 £867,766) on timing differences resulting from depreciation in excess of capital allowances and other timing differences of £8,894 (2010 £8,402), have not been recognised, as these are not considered recoverable in the foreseeable future

Notes to the financial statements

(forming part of the financial statements)

8 Tangible assets

	Leasehold assets £	Plant and machinery £	Assets under construction £	Total £
Cost or valuation				
At 1 April 2010	727,221	1,920,260	1,624	2,649,105
Exchange adjustment	(41,128)	(108,610)	(92)	(149,830)
Additions	-	703,186	7,383	710,569
Disposals	-	(181)	-	(181)
At 31 March 2011	686,093	2,514,655	8,915	3,209,663
Depreciation				
At 1 April 2010	536,976	1,342,190	-	1,879,166
Exchange adjustment	(33,234)	(80,646)	-	(113,880)
Charge for the year	174,370	288,224	-	462,594
Disposals	-	(70)	-	(70)
At 31 March 2011	678,112	1,549,698	-	2,227,810
Net book value				
At 31 March 2011	7,981	964,957	8,915	981,853
At 31 March 2010	190,245	578,070	1,624	769,939

Assets under construction are not depreciated

Included in the total net book value of tangible fixed assets is £7,981 (2010 £190,245) in respect of assets held under finance leases Depreciation for the year on these assets was £174,370 (2010 £163,207)

Notes to the financial statements

(forming part of the financial statements)

9 Debtors

	2011 £	2010 £
Amounts falling due within one year·		
Amounts due from group undertakings	862,099	2,089,140
Other debtors	1,421,792	1,015,409
Prepayments and accrued income	219,537	129,356
	2,503,428	3,233,905

	2011 £	2010 £
Amounts falling due after more than one year.		
Other debtors - security deposit	396,712	376,288

10 Creditors

	2011 £	2010 £
Amounts falling due within one year		
Trade creditors	56,709	140,239
Corporation tax payable	38,586	16,153
Amounts owed to group undertakings	1,449,593	1,417,543
Finance lease obligation	-	229,508
Other creditors	247,410	270,318
Accruals and deferred income	342,176	549,275
	2,134,474	2,623,036

Of the amounts due to group undertakings, £1,449,593 (2010 £707,543) bears interest at LIBOR plus 3 50% The loans and any interest accrued thereon become repayable in full on the last day of each borrowing period or immediately upon demand of the lender

The maturity of obligations under finance leases and hire purchase contracts is as follows

	2011 £	2010 £
Within one year	-	229,508

The finance lease obligations have been settled during the year and there are no finance lease obligations as at 31 March 2011

Notes to the financial statements
(continued)

11 Share capital

Allotted, called up and fully paid shares

	2011		2010	
	No	£	No.	£
Ordinary share of £1 00 each	1,000,000	1,000,000	1,000,000	1,000,000

12 Reserves

	Profit and loss account £
At 1 April 2010	1,354,432
Profit for the financial year	446,604
Foreign currency translation	(221,270)
At 31 March 2011	1,579,766

13 Operating lease commitments

The annual operating lease commitments in respect of land and buildings payable, analysed according to the period in which the lease expires, are set out below

	2011 £	2010 £
Land and buildings		
Within one year	25,469	-
Within two and five years	205,152	292,256
	230,621	292,256

14 Pension scheme

Employees of the Company have access to a defined contribution scheme The assets of the schemes are held separately from those of the Company in an independently administered fund The amounts charged to the profit and loss account include the cost of the contribution payable to the above scheme in respect of the accounting period

During the year these contributions amounted to £267,830 (2010 £149,821) At the year end, contributions of £37,286 (2010 £30,008) were payable by the Company to the pension scheme and are included within other creditors

Notes to the financial statements

(continued)

15 Related party transactions

Under FRS 8, the Company is exempt from the requirement to disclose transactions with wholly owned entities that are part of the Cable&Wireless Worldwide Group, as all of the Company's voting rights are controlled within the Group There are no transactions with any other related parties

16 Ultimate parent company and controlling party

The Company's immediate parent company is Cable & Wireless Global Businesses International S a r l , a company registered in Luxembourg

The Directors regard Cable & Wireless Worldwide plc, a company registered in England and Wales, as the ultimate parent company and controlling party

The smallest and largest group in which the results of the Company are consolidated is that of Cable & Wireless Worldwide plc, the parent company The consolidated financial statements of Cable & Wireless Worldwide plc may be obtained from the Company Secretary, Cable & Wireless Worldwide plc, Liberty House, 76 Hammersmith Road, London, W14 8UD