

Reliance Jio Infocomm Limited

Independent Auditor's Report

TO THE MEMBERS OF RELIANCE JIO INFOCOMM LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Reliance Jio Infocomm Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Profit and Loss Statement and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 26(a)(iii) to the standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There are no amount which are required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“CARO 2016”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of CARO 2016.

For Chaturvedi & Shah
Chartered Accountants
(Registration No.101720W)

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Registration No.117366W / W-100018)

For Atul Kulshrestha & Co.
Chartered Accountants
(Registration No.013768N)

R. Koria
Partner
Membership No. 35629

Abhijit A. Damle
Partner
Membership No. 102912

R. Varadharajan
Partner
Membership No. 207728

Mumbai, dated 21st April, 2016

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **RELIANCE JIO INFOCOMM LIMITED** (“the Company”) as of March 31, 2016 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 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Chaturvedi & Shah**
Chartered Accountants
(Registration No.101720W)

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Registration No.117366W / W-100018)

For **Atul Kulshrestha & Co.**
Chartered Accountants
(Registration No.013768N)

R. Koria
Partner
Membership No. 35629

Abhijit A. Damle
Partner
Membership No. 102912

R. Varadharajan
Partner
Membership No. 207728

Mumbai, dated 21st April, 2016

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2, under ‘Report on Other Legal and Regulatory Requirements’ section of our Report of even date)

- i. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- ii. The nature of Company’s activities during the year does not involve the use of inventory. Accordingly, clause (ii) of paragraph 3 of CARO 2016 is not applicable to the Company.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured and unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clause (iii) of paragraph 3 of CARO 2016 is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- vi. According to the information and explanations given to us, the Companies (Cost Records and Audit) Rules, 2014, as amended and specified by the Central Government under Section 148(1) of the Companies Act, 2013 are not applicable to the Company. Accordingly, clause (vi) of paragraph 3 of the CARO 2016 is not applicable to the Company.
- vii. In respect of statutory dues:
 - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2016 for a period of more than six months from the date of becoming payable.
 - b) There are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, , Duty of Excise and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- ix. In our opinion and according to the information and explanations given to us, monies raised by way of term loans have, *prima facie*, been applied by the Company during the year for the purposes for which they were raised. The Company has not raised monies by way of initial public offer or further public offer (including debt instruments).
- x. In our opinion and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Chaturvedi & Shah
Chartered Accountants
(Registration No.101720W)

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Registration No.117366W / W-100018)

For Atul Kulshrestha & Co.
Chartered Accountants
(Registration No.013768N)

R. Koria
Partner
Membership No. 35629

Abhijit A. Damle
Partner
Membership No. 102912

R. Varadharajan
Partner
Membership No. 207728

Mumbai, dated 21st April, 2016

Balance Sheet as at 31st March, 2016

(Rs. in lakh)

	Note	As at 31st March, 2016	As at 31st March, 2015
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	45125,00	30125,00
(b) Reserves and Surplus	3	(74,71)	(50,83)
		45050,29	30074,17
2 Non - Current Liabilities			
(a) Long Term Borrowings	4	30282,48	18691,29
(b) Deferred Payment Liabilities	5	13820,75	7388,04
(c) Other Long Term Liabilities	6	2266,34	1545,47
		46369,57	27624,80
3 Current Liabilities			
(a) Short Term Borrowings	7	2569,29	8
(b) Other Current Liabilities	8	41697,58	24297,83
(c) Short Term Provisions	9	39,90	18,21
		44306,77	24316,12
TOTAL		135726,63	82015,09
II ASSETS			
1 Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10	936,91	882,11
(ii) Intangible Assets	11	2,82	3,67
(iii) Capital Work-in-Progress	12	68806,60	37595,65
(iv) Intangible Assets under Development	12	49543,27	34702,12
Total		119289,60	73183,55
(b) Non-Current Investments	13	814,84	524,36
(c) Long Term Loans and Advances	14	7895,52	4224,29
(d) Other Non-Current Assets	15	27,70	14,11
		128027,66	77946,31
2 Current Assets			
(a) Current Investments	16	18,50	268,00
(b) Trade Receivables	17	1	3
(c) Cash and Bank Balances	18	15,31	27,01
(d) Short Term Loans and Advances	19	7610,98	3680,98
(e) Other Current Assets	20	54,17	92,76
		7698,97	4068,78
TOTAL		135726,63	82015,09
Significant Accounting Policies	1		
Notes to the Financial Statements	2 - 41		

As per our Report of even date

For and on behalf of the Board

For Chaturvedi & Shah
Chartered Accountants
Firm Regn No: 101720W

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Regn No: 117366W/
W-100018

For Atul Kulshrestha & Co
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R.Varadharajan
Partner
Membership No: 207728

Mukesh D. Ambani
Chairman
DIN : 00001695

Isha M. Ambani
Director
DIN : 06984175

Prof. Dipak C. Jain
Director
DIN: 00228513

Rajneesh Jain
Chief Financial Officer
PAN: ABFPJ1815L

Manoj H. Modi
Director
DIN : 00056207

Sanjay Mashruwala
Managing Director
DIN : 01259774

Ranjit V. Pandit
Director
DIN: 00782296

Jyoti Jain
Company Secretary
Membership No.: A18825

Akash M. Ambani
Director
DIN : 06984194

Adil Zainulbhai
Director
DIN: 06646490

Shumeet Banerji
Director
DIN: 02787784

Place: Mumbai
Date: 21st April, 2016

Profit and Loss Statement for the year ended 31st March, 2016

	Note	2015-16	(Rs. in lakh) 2014-15
INCOME			
I	Revenue from Operations	21	4
II	Other Income	22	3,22
	Total Revenue	3,26	1,37
III EXPENDITURE			
	Employee Benefits Expense	23	4,08
	Finance Costs (Interest)		1,43
	Depreciation and Amortisation Expense		4,33
	Operating and Other expenses	24	17,30
	Total Expenses	27,14	24,49
IV	Loss for the year	(23,88)	(23,12)
V	Earnings per equity share of face value Rs. 10 each		
	Basic (in Rupees)	30	(0.01)
	Diluted (in Rupees)	30	(0.01)
	Significant Accounting Policies	1	
	Notes to the Financial Statements	2 - 41	

As per our Report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Regn No: 101720W

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Place: Mumbai
Date: 21st April, 2016

For and on behalf of the Board

Mukesh D. Ambani
Chairman
DIN : 00001695

Isha M. Ambani
Director
DIN : 06984175

Prof. Dipak C. Jain
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Shumeet Banerji
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DIN: 02787784

Cash Flow Statement for the year 2015-16

	2015-16	(Rs. in lakh) 2014-15
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss Before Tax as per Profit and Loss Statement	(23,88)	(23,12)
Adjusted for:		
Depreciation and Amortisation Expense	4,33	3,36
Interest Income	(90)	(49)
Profit on Sale of Current Investments (Net)	(1,92)	(72)
Loss on Sale of Fixed Assets	25	41
Interest and Finance charges	1,43	1,63
Operating Loss before Working Capital Changes	(20,69)	(18,93)
Adjusted for:		
Trade and Other Receivables	(4371,36)	(2843,94)
Trade and Other Payables	25,93	61,21
Cash used in Operations	(4366,13)	(2801,66)
(Taxes Paid) / Refund	26	-
Net Cash used in Operating Activities	(4365,87)	(2801,66)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (Including movement in Capital Work in Progress and Intangible Assets Under Development)	(17633,77)	(9537,32)
Sale of Fixed Assets	40	2,23
Purchase of Investments	(36738,80)	(15104,60)
Sale of Investments	37004,70	14843,87
Purchase of Investment in Subsidiaries	(290,48)	(273,03)
Interest Income	5	1,01
Fixed Deposits / Margin Money with the banks	(1,94)	(1,78)
Net Cash used in Investing Activities	(17659,84)	(10069,62)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Equity Shares	15000,00	7053,00
Proceeds from Long Term Borrowings	11336,77	7181,26
Repayment of Long Term Borrowings	(3611,39)	(24,55)
Proceeds from Short Term Borrowings	30263,74	13000,40
Repayment of Short Term Borrowings	(27703,03)	(13005,85)
Interest and Finance Charges Paid	(3274,02)	(1345,26)
Net Cash from Financing Activities	22012,07	12859,00
Net (Decrease) in Cash and Cash Equivalents	(13,64)	(12,28)
Opening Balance of Cash and Cash Equivalents	19,26	31,54
Closing Balance of Cash and Cash Equivalents (Refer Note 18)	5,62	19,26

As per our Report of even date

For and on behalf of the Board

For Chaturvedi & Shah Chartered Accountants Firm Regn No: 101720W	For Deloitte Haskins & Sells LLP Chartered Accountants Firm Regn No: 117366W/ W-100018	For Atul Kulshrestha & Co Chartered Accountants Firm Regn No: 013768N
R.Koria Partner Membership No: 35629	Abhijit A. Damle Partner Membership No: 102912	R.Varadharajan Partner Membership No: 207728

Mukesh D. Ambani Chairman DIN : 00001695	Manoj H. Modi Director DIN : 00056207	Akash M. Ambani Director DIN : 06984194
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Prof. Dipak C. Jain Director DIN : 00228513	Ranjit V. Pandit Director DIN : 00782296	Shumeet Banerji Director DIN : 02787784
Rajneesh Jain Chief Financial Officer PAN: ABFPJ1815L	Jyoti Jain Company Secretary Membership No.: A18825	

Place: Mumbai
Date: 21st April, 2016

Significant Accounting Policies

1 SIGNIFICANT ACCOUNTING POLICIES

A BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees in lakh.

B USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

C FIXED ASSETS

(i) Tangible Assets

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Projects under which assets are not ready for their intended use are disclosed under Capital Work-in-Progress.

(ii) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

D OPERATING LEASE - As a Lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Profit and Loss Statement on a straight line basis over the period of the lease, except lease rental pertaining to the period upto the date of commissioning of assets are capitalised.

E DEPRECIATION AND AMORTISATION

(i) Tangible Assets

Depreciation on fixed assets is provided on straight line method over their useful life and in the manner prescribed in Schedule II to the Companies Act, 2013. Leasehold land is amortised on a straight line basis over the period of lease. Leasehold improvements are depreciated on a straight line basis over the period of lease or the useful life whichever is lower.

(ii) Intangible Assets

These are amortised as under:-

Sr. No.	Particulars	Amortisation
1	Softwares	Over a period of 5 to 10 years
2	Internet Service Provider (ISP) License Fee	Amortised equally over the remainder of the License period of 15 Years from the date of commencement of the commercial operation.
3	Broadband Wireless Access (BWA) Spectrum Fees and 800 MHz/1800 MHz Spectrum Fees	Will be amortised from the date of commencement of commercial operation over the balance validity period.

Notes on Financial Statements for the year ended 31st March, 2016

F IMPAIRMENT

The Company assesses at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. An asset is treated as impaired, when the carrying cost of the asset exceeds its recoverable value. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

An impairment loss is charged to Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognised in previous accounting period is reversed if there has been a change in the estimate of recoverable amount.

G FOREIGN CURRENCY TRANSACTIONS

- (i) Transactions denominated in foreign currency are recorded at the exchange rate prevailing at the time of transaction or that approximates the actual rate on the date of the transaction.
- (ii) Monetary items denominated in foreign currency at the year end are restated at the year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- (iii) Non monetary foreign currency items are carried at cost.
- (iv) In respect of integral foreign operations, all transactions are translated at rates prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction. Monetary assets and liabilities are restated at the year end rates.
- (v) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss Statement except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

H INVESTMENTS

Current Investments are carried at lower of cost and quoted / fair value, computed category wise. Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

Investments that are readily realisable and intended to be held for not more than 12 months from the date of acquisition are classified as current investment. All other investments are classified as non-current investments.

I REVENUE RECOGNITION

- (i) Revenue from services are recognised when services have been rendered and no significant uncertainty to collectability exists. The revenue is recognised net of discounts and services tax.
- (ii) Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.
- (iii) Dividend income is recognized when right to receive payment is established.

J EMPLOYEE BENEFITS

(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 as an expense during the period when the employees render the services. These benefits include performance incentive and compensated absences.

Notes on Financial Statements for the year ended 31st March, 2016

(ii) Post-Employment Benefits

Defined Contribution Plans

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

Defined Benefit Plans

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

Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Profit and Loss Statement / Project Development expenditure.

K BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit and Loss Statement in the period in which they are incurred.

L FINANCIAL DERIVATIVE TRANSACTIONS

In respect of derivative contracts, premium paid, gains/losses on settlement and losses on restatement are recognised in the Profit and Loss Statement except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

M INCOME TAXES

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

N PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements.

Notes on Financial Statements for the year ended 31st March, 2016

(Rs. in lakh)

2 Share Capital

Authorised Share Capital:

		As at 31st March, 2016	As at 31st March, 2015
5000,00,00,000 (5000,00,00,000)	Equity Shares of Rs. 10 each	50000,00	50000,00
13,00,00,000 (13,00,00,000)	Preference Shares of Rs. 10 each	130,00	130,00
		50130,00	50130,00

Issued, Subscribed and Paid up:

4500,00,00,000 (3000,00,00,000)	Equity Shares of Rs. 10 each fully paid up	45000,00	30000,00
12,50,00,000 (12,50,00,000)	0.1% Non Cumulative Optionally Convertible Preference Shares of Rs. 10 each fully paid up (Refer Note 2.6)	125,00	125,00
	TOTAL	45125,00	30125,00

2.1 Terms/rights attached to equity shares:

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. 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 in proportion to the number of equity shares held by them.

2.2 Terms/ rights attached to Preference Shares:

0.1% Non Cumulative Optionally Convertible Preference Shares are convertible into 2 equity shares of Rs. 10 each at any time not later than June 29, 2030 at the option of company. The preference shareholders will carry the voting rights if no dividend is paid for a period of 2 years. In the event the shares are not converted, these will be redeemed at any time at the option of the Company at Rs. 20 each but not in any case later than June 29, 2030.

2.3 Aggregate numbers of Shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date:

Pursuant to the Scheme of Amalgamation 25,25,10,000 equity shares of Rs. 10 each and 12,50,00,000 0.1% Non Cumulative Redeemable Preference Shares of Rs. 10 each were issued and allotted as fully paid up without payment being received in cash during the year 2010-11.

2.4 Reconciliation of number of shares outstanding at the beginning and at the end of the year:

Particulars	Equity Shares			
	2015-16		2014-15	
	No. of Shares	Rs. in lakh	No. of Shares	Rs. in lakh
No. of shares at the beginning of the year	3000,00,00,000	30000,00	2294,70,00,000	22947,00
Add: Issue of Shares	1500,00,00,000	15000,00	705,30,00,000	7053,00
No. of shares at the end of the year	4500,00,00,000	45000,00	3000,00,00,000	30000,00
	0.1% Non Cumulative Optionally Convertible Preference Shares			
	2015-16		2014-15	
	No. of Shares	Rs. in lakh	No. of Shares	Rs. in lakh
No. of shares at the beginning of the year (Refer Note 2.6)	12,50,00,000	125,00	12,50,00,000	125,00
Add: Issue of Shares	-	-	-	-
No. of shares at the end of the year	12,50,00,000	125,00	12,50,00,000	125,00

Notes on Financial Statements for the year ended 31st March, 2016

2.5 Details of Shareholders holding more than 5% shares in the Company including those held by holding company and Subsidiaries of holding company

Name of Shareholders	Equity Shares			
	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% holding	No. of Shares	% holding
Reliance Industries Limited (Holding Company)	4474,74,90,000	99.44%	2974,74,90,000	99.16%
	0.1% Non Cumulative Optionally Convertible Preference Shares			
	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% holding	No. of Shares	% holding
Reliance Industrial Investments and Holdings Limited (Subsidiary of Holding Company) (Refer Note 2.6)	12,50,00,000	100%	12,50,00,000	100%

2.6 During the year, the terms of 12,50,00,000 Preference Shares of Rs. 10 each have been modified from 0.1% Non Cumulative Redeemable Preference Shares to 0.1% Non Cumulative Optionally Convertible Preference Shares. (Refer Note 2.2)

3 Reserves and Surplus	(Rs. in lakh)	
	As at 31st March, 2016	As at 31st March, 2015
Profit and Loss Account		
As per last Balance Sheet	(50,83)	(27,39)
Add: Pursuant to Scheme of amalgamation	-	(24)
Add: Depreciation adjustment (Refer Note 10.1)	-	(8)
Add: Loss for the period	(23,88)	(23,12)
	<u>(74,71)</u>	<u>(50,83)</u>
TOTAL	<u>(74,71)</u>	<u>(50,83)</u>

3.1 In view of loss for the year, the Company has not created the Debenture Redemption Reserve for cumulative amount of Rs. 972,89 lakh (Previous Year Rs. 465,31 lakh) in terms of Section 71 of the Companies Act, 2013. The Company shall create the Debenture Redemption Reserve out of profits, if any, in the future years.

4 Long Term Borrowings	(Rs. in lakh)			
	As at 31st March, 2016		As at 31st March, 2015	
	Non Current	Current	Non Current	Current
(I) Secured				
(a) Term Loans - from Banks	1506,37	5,26	1511,67	5,18
(b) Non Convertible Debentures	7500,00	-	-	-
	<u>9006,37</u>	<u>5,26</u>	<u>1511,67</u>	<u>5,18</u>
(II) Unsecured				
(a) Non Convertible Debentures *	7000,00	-	7000,00	-
(b) Term Loans - from Banks	13003,62	31,95	9693,55	3500,00
(c) Term Loans - from Others	1272,49	298,11	486,07	108,32
	<u>21276,11</u>	<u>330,06</u>	<u>17179,62</u>	<u>3608,32</u>
TOTAL	<u>30282,48</u>	<u>335,32</u>	<u>18691,29</u>	<u>3613,50</u>

Notes on Financial Statements for the year ended 31st March, 2016

4.1 Secured term loans from banks referred to in 4(I)(a) above comprise of the following:

- (a) Loan of Rs. 11,63 lakh (Previous Year Rs. 16,85 lakh) secured by hypothecation of specific vehicles and repayable over a period of 4 years in equated monthly installments.
- (b) Loan of Rs. 1500,00 lakh (Previous Year Rs. 1500,00 lakh)[#] secured by hypothecation of the moveable properties, both present and future, including movable plant and machinery, spares, tools and accessories, furniture, fixtures and vehicles, save and except the telecom licenses and spectrum as well as brand name, goodwill and any intellectual property rights and such of the assets that are procured by using financing from Cisco Systems Capital India Private Limited and carries interest @ 9.5 - 9.8% p.a. compounding monthly repayable in 18 equated quarterly installments starting September, 2017.

Represents amount received from a finance company which obtained the banking license during the current year

4.2 Secured Non Convertible Debentures referred to in 4(I)(b) above are secured by hypothecation of the moveable properties, both present and future, including movable plant and machinery, spares, tools and accessories, furniture, fixtures and vehicles, save and except the telecom licenses and spectrum as well as brand name, goodwill and any intellectual property rights and such of the assets that are procured by using financing from Cisco Systems Capital India Private Limited and consist of:

- (a) 30,000 (Previous Year Nil) 8.25% p.a. Secured Redeemable Non Convertible Debentures (NCD - PPD8) of face value of Rs. 10,00,000/- each, aggregating to Rs. 3000,00 lakh (Previous year Nil) redeemable at par in 3 equal installments on 30th October in the years 2023,2024,2025.
- (b) 10,000 (Previous Year Nil) 8.40% p.a. Secured Redeemable Non Convertible Debentures (NCD - PPD7) of face value of Rs. 10,00,000/- each, aggregating to Rs. 1000,00 lakh (Previous year Nil) redeemable at par on 3rd August, 2018.
- (c) 35,000 (Previous Year Nil) 8.55% p.a. Secured Redeemable Non Convertible Debentures (NCD - PPD6) of face value of Rs. 10,00,000/- each, aggregating to Rs. 3500,00 lakh (Previous year Nil) redeemable at par on 31st July, 2018.

4.3 Debentures referred to in 4(II)(a) above consist of:

- (a) 10,000 (Previous Year 10,000) 9.00% p.a. Unsecured Redeemable Non Convertible Debentures (NCD - PPD5 Option II) of face value of Rs. 10,00,000/- each, aggregating to Rs. 1000,00 lakh (Previous year Rs. 1000,00 lakh) redeemable at par on 21st January, 2025.
- (b) 25,000 (Previous Year 25,000) 9.25% p.a. Unsecured Redeemable Non Convertible Debentures (NCD - PPD3) of face value of Rs. 10,00,000/- each, aggregating to Rs. 2500,00 lakh (Previous year Rs. 2500,00 lakh) redeemable at par on 16th June, 2024.
- (c) 10,000 (Previous Year 10,000) 8.95% p.a. Unsecured Redeemable Non Convertible Debentures (NCD - PPD2) of face value of Rs. 10,00,000/- each, aggregating to Rs. 1000,00 lakh (Previous year Rs. 1000,00 lakh) redeemable at par on 4th October 2020.
- (d) 10,000 (Previous Year 10,000) 8.95% p.a. Unsecured Redeemable Non Convertible Debentures (NCD - PPD1) of face value of Rs. 10,00,000/- each, aggregating to Rs. 1000,00 lakh (Previous year Rs. 1000,00 lakh) redeemable at par on 15th September 2020.
- (e) 10,000 (Previous Year 10,000) 8.90% p.a. Unsecured Redeemable Non Convertible Debentures (NCD - PPD5 Option I) of face value of Rs. 10,00,000/- each, aggregating to Rs. 1000,00 lakh (Previous year Rs. 1000,00 lakh) redeemable at par on 21st January, 2020.
- (f) 5,000 (Previous Year 5,000) 8.95% p.a. Unsecured Redeemable Non Convertible Debentures (NCD - PPD4) of face value of Rs. 10,00,000/- each, aggregating to Rs. 500,00 lakh (Previous year Rs. 500,00 lakh) redeemable at par on 18th November, 2019.

4.4 Unsecured Term Loans from Banks referred to in 4 (II) (b) above comprises of 2 sets of External Commercial Borrowings, loan from banks denominated in United States Dollars and Rupee Loan from Banks and are repayable as follows:

- (a) Loan of Rs. 638,82 lakh (US \$ 96.42 Million) repayable in 20 semi-annual instalments starting December 2016.
- (b) Loan of Rs. 458,50 lakh (US \$ 69.20 Million) repayable in 20 semi-annual instalments starting November 2017.

Notes on Financial Statements for the year ended 31st March, 2016

- (c) Loan of Rs. 3312,75 lakh (US \$ 500 Million)

Date	Amount
29th November, 2021	Rs. 1656,38 lakh (US \$ 250 Million)
30th November, 2020	Rs. 1656,38 lakh (US \$ 250 Million)

- (d) Loan of Rs. 6625,50 lakh (US \$ 1000 Million)

Date	Amount
28th May, 2020	Rs. 3312,75 lakh (US \$ 500 Million)
28th November, 2019	Rs. 3312,75 lakh (US \$ 500 Million)

- (e) Loan of Rs. 2000,00 lakh carries interest rate of 9.30% p.a. and is repayable on 29th May, 2018.

- 4.5 Unsecured loans from others referred to in 4(II)(c) above carries interest rate of 6 - 6.5% p.a. and is repayable over a period of 6 years in semi-annual installments starting from 6 months from the date of receipt of loan.

- 4.6 All payment obligations under Unsecured Loans of Rs. 14606,16 lakh (Previous Year Rs. 12287,94 lakh) are guaranteed by Reliance Industries Limited, the Holding company.

* The company has entered into currency and interest rate swap for the entire term of the non convertible debentures (PPD1 and PPD2) in respect of Rs. 1025,00 lakh and corresponding exchange loss of Rs. 470,05 lakh (Previous Year Rs. 385,32 lakh) is disclosed under Other Long Term Liabilities (Refer Note 6)

5	Deferred Payment Liabilities	(Rs. in lakh)	
		As at 31st March, 2016	As at 31st March, 2015
	Unsecured		
	Payable to DoT towards 1800 MHz Spectrum (Refer Note 5.1)	6649,24	7388,04
	Payable to DoT towards 800MHz/1800 MHz Spectrum (Refer Note 5.2)	7171,51	-
	TOTAL	13820,75	7388,04

- 5.1 Represents amount payable towards cost of acquisition of Spectrum of 1800 MHz in 14 Key Service Areas repayable in 10 equated annual installments starting from March, 2017 and carries interest rate of 10% p.a. [Refer Note 40(i)]

- 5.2 Represents amount payable towards cost of acquisition of Spectrum of 800Mhz/1800 MHz in 13 Key Service Areas repayable in 10 equated annual installments starting from April,2018 and carries interest rate of 10% p.a. [Refer Note 40(ii)]

6	Other Long Term Liabilities	(Rs. in lakh)	
		As at 31st March, 2016	As at 31st March, 2015
	(a) Interest accrued but not due on Deferred Payment Liabilities	1605,48	801,75
	(b) Interest accrued but not due on Borrowings	18,05	-
	(c) Creditors for Capital Expenditure	142,01	240,79
	(d) Others*	500,80	502,93
	TOTAL	2266,34	1545,47

* Comprises of Premium payable on Forward Contracts and Exchange Loss referred to in Note 4.

Notes on Financial Statements for the year ended 31st March, 2016

	(Rs. in lakh)	
	As at	As at
	31st March, 2016	31st March, 2015
7 Short Term Borrowings		
Unsecured		
Loan repayable on demand		
From Banks		
Rupee Loans	1919,29	8
From Others		
Rupee Loans - Commercial Paper*	650,00	-
TOTAL	<u>2569,29</u>	<u>8</u>

*Maximum amount outstanding at any time during the year was Rs. 6000,00 Lakh (Previous Year Rs. 3000,00 Lakh)

	(Rs. in lakh)	
	As at	As at
	31st March, 2016	31st March, 2015
8 Other Current Liabilities		
(a) Current maturities of Long Term Debt (Secured)	5,26	5,18
(b) Current maturities of Long Term Debt (Unsecured)	330,06	3608,32
(c) Current maturities of Deferred Payment Liabilities	738,80	-
(d) Interest accrued but not due on Borrowings	651,47	378,48
(e) Interest accrued but not due on Deferred Payment Liabilities	716,06	-
(f) Creditors for Capital Expenditure	37925,04	19079,75
(g) Other Payables	1330,89	1226,10
TOTAL	<u>41697,58</u>	<u>24297,83</u>

8.1 Other Payables includes statutory dues, Premium payable on Forward Contracts, etc.

8.2 Disclosures relating to amount unpaid as at year end together with interest paid/ payable to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been determined based on the available information with the Company and are as under:

	(Rs. in lakh)	
	As at	As at
	31st March, 2016	31st March, 2015
1. Principal amount due and remaining unpaid	-	-
2. Interest due thereon	-	-
3. Interest paid by the Company on all delayed payments under the MSMED Act	-	-
4. Payment made beyond the appointed day during the year	-	-
5. Interest due and payable for the period of delay other than (3) above	-	-
6. Interest accrued and remaining unpaid	-	-
7. Further Interest remaining due and payable in succeeding years	-	-

	(Rs. in lakh)	
	As at	As at
	31st March, 2016	31st March, 2015
9 Short Term Provisions		
Provisions for employee benefits	39,90	18,21
TOTAL	<u>39,90</u>	<u>18,21</u>

Notes on Financial Statements for the year ended 31st March, 2016

10 TANGIBLE ASSETS

(Rs. in lakh)

Description	Gross Block				Depreciation				Net Block	
	As at 01-04-2015	Additions	Deductions/ Adjust- ments	As at 31-03-2016	As at 01-04-2015	For the Year	Deductions/ Adjust- ments	Upto 31-03-2016	As at 31-03-2016	As at 31-03-2015
OWNASSETS:										
Leasehold Land	150,43	2,61	-	153,04	13,22	6,88	-	20,10	132,94	137,21
Freehold Land	16,24	3,67	-	19,91	-	-	-	-	19,91	16,24
Leasehold Improvements	93	-	-	93	19	10	-	29	64	74
Buildings-Temporary Structures	1,53	-	-	1,53	1,15	14	-	1,29	24	38
Plant and Equipments	97,76	129,21	-	226,97	13,02	34,04	-	47,06	179,91	84,74
Construction Equipments	683,81	52	-	684,33	99,95	52,79	-	152,74	531,59	583,86
Office Equipments	20,04	6,84	-	26,88	3,95	2,60	-	6,55	20,33	16,09
Furniture and Fixtures	13,13	2,36	-	15,49	1,96	1,31	-	3,27	12,22	11,17
Vehicles	37,07	12,67	97	48,77	5,39	4,58	33	9,64	39,13	31,68
Total	1020,94	157,88	97	1177,85	138,83	102,44	33	240,94	936,91	882,11
Previous Year Figures	775,04	248,94	3,04	1020,94	64,88	74,32	37	138,83	882,11	

10.1 Pursuant to the enactment of Companies Act 2013, the Company has, in the previous year, applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/ remaining useful lives. The written down value of fixed Assets whose lives have expired as at 1st April 2014 have been adjusted in the Profit and Loss Statement.

11 INTANGIBLE ASSETS:

(Rs. in lakh)

Description	Gross Block				Depreciation				Net Block	
	As at 01-04-2015	Additions	Deductions/ Adjust- ments	As at 31-03-2016	As at 01-04-2015	For the Year	Deductions/ Adjust- ments	Upto 31-03-2016	As at 31-03-2016	As at 31-03-2015
Software*	4,04	-	-	4,04	83	75	-	1,58	2,46	3,21
ISP License Fee	20	-	-	20	9	1	-	10	10	11
Others *	43	-	-	43	8	9	-	17	26	35
Total	4,67	-	-	4,67	1,00	85	-	1,85	2,82	3,67
Previous Year Figures	1,23	3,44	-	4,67	16	84	-	1,00	3,67	

* Other than internally generated

Notes on Financial Statements for the year ended 31st March, 2016

12 Capital Work-in-Progress and Intangible Assets under Development:

The Company emerged as a successful bidder in all the 22 circles in the 2300 MHz band, 18 circles in the 1800 MHz band and 10 circles in the 800 MHz band in the auction for Spectrum conducted by the Department of Telecommunications, Government of India. The Company is implementing Digital Services project ("Project") and the expenditure towards the same comprises of Capital Work in Progress amounting to Rs. 68806,60 Lakh (Previous Year Rs. 37595,65 Lakh) and Intangible Assets under Development amounting to Rs. 49543,27 Lakh (Previous Year Rs. 34702,12 Lakh).

Capital Work-in-Progress includes:

- Rs. 13796,02 Lakh (Previous Year Rs. 10280,31 Lakh) on account of capital goods inventory.
- Rs. 636,34 Lakh (Previous Year Rs. 153,94 Lakh) on account of foreign currency exchange loss (net).
- Rs. 15028,18 Lakh (Previous Year Rs. 5999,98 Lakh) on account of Project Development Expenditure.

Project Development Expenditure as detailed below:	2015-16	(Rs. in Lakh) 2014-15
Opening Balance	5999,98	1875,37
Add:		
Salaries and Wages	1430,81	656,36
Contribution to Provident and other Funds	72,60	43,79
Staff Welfare Expenses	84,17	27,46
Depreciation	98,96	71,80
Insurance	21,97	18,28
Travelling Expenses	77,72	41,36
Professional Fees	1668,13	1129,62
Interest and Finance charges	2802,07	1059,24
Rent	1305,36	836,58
Repairs and Maintenance	401,76	20,71
Power and Fuel	669,63	25,66
Other Expenses	413,63	201,17
Less: Other Income*	(18,61)	(7,42)
Closing Balance	<u>15028,18</u>	<u>5999,98</u>

* Includes Interest Income of Rs. 1,84 lakh (Previous Year Rs. 91 Lakh) and Profit on sale of Current Investment Rs. 14,48 Lakh (Previous Year Rs. 6,45 Lakh)

Intangible Assets under Development includes:

- Payment of Rs. 12847,77 Lakh (Previous Year Rs. 12847,77 Lakh) to Department of Telecommunications, Government of India, towards allotment of Broadband Wireless Spectrum of 2300 MHz of 20 MHz each in all 22 telecom circles valid for a period of 20 years from 17th August 2010.
- Payment of Rs. 1673,46 Lakh (Previous Year Rs. 1673,46 Lakh) to Department of Telecommunications, Government of India, towards grant of Unified License in all 22 telecom circles valid for a period of 20 years from 21st October, 2013.
- Rs. 11026,93 Lakh (Previous Year Rs. 11026,93 Lakh) being cost of acquisition of Spectrum of 1800 MHz in 14 telecom circles valid for a period of 20 years from 8th September, 2014.

Notes on Financial Statements for the year ended 31st March, 2016

- (d) Rs. 7876,42 Lakh (Previous Year Nil) being cost of acquisition of Spectrum of 800 MHz in 10 telecom circles valid for a period of 20 years from 28th May, 2015.
- (e) Rs. 1886,86 Lakh (Previous Year Nil) being cost of acquisition of Spectrum of 1800 MHz in 6 telecom circles valid for a period of 20 years from 27th May, 2015.
- (f) Rs. 127,04 Lakh (Previous Year Rs. 127,04 Lakh) being cost of acquisition of Spectrum charges in accordance with the Scheme of Amalgamation in year ended March, 2011.
- (g) Rs. 2602,22 Lakh (Previous Year Rs. 2003,72 Lakh) on account of foreign currency exchange loss (net).
- (h) Rs. 7579,43 Lakh (Previous Year Rs. 5153,83 Lakh) on account of Project Development Expenditure.

Project Development Expenditure as detailed below:	2015-16	(Rs. in Lakh) 2014-15
Opening Balance	5153,83	2753,20
Add:		
Interest	2190,75	1415,40
Other Borrowing Costs	14,94	148,36
Loss / (Gain) on Derivative Contracts	11,46	57,48
Premium on Forward Exchange Contract	115,46	742,47
Spectrum Usage Charges/License Fees	47,35	16,16
Maintenance cost on fibre taken on IRU	45,64	20,76
Closing Balance	7579,43	5153,83

13 Non Current Investments

(Long Term Investments)

(Valued at cost less other than temporary diminution in value, if any)

Trade Investments

In Equity Shares of wholly owned subsidiary companies -

Unquoted, fully paid up

	As at 31st March, 2016	(Rs. in lakh) As at 31st March, 2015
980,00,000 (Previous Year 666,00,000) shares of USD 1 each in Reliance Jio Infocomm Pte Limited	604,66	399,68
1,000 (Previous Year 1,000) shares of USD 0.01 each in Reliance Jio Infocomm USA Inc. [including additional paid in capital of USD 32,497,654 (previous year USD 198,92,654)]	202,25	121,38
8,00,000(Previous Year 3,33,333) shares of GBP 1 each in Reliance Jio Infocomm UK Ltd	7,93	3,30
TOTAL	814,84	524,36

Aggregate amount of Unquoted Investments

814,84

524,36

14 Long Term Loans and Advances

(Unsecured and Considered Good)

	As at 31st March, 2016	(Rs. in lakh) As at 31st March, 2015
(a) Capital Advances (Refer Note 41)	6680,71	3441,70
(b) Security Deposits	1212,87	782,15
(c) Advance Income Tax and TDS	1,94	44
TOTAL	7895,52	4224,29

Notes on Financial Statements for the year ended 31st March, 2016

		(Rs. in lakh)	
		As at	As at
		31st March, 2016	31st March, 2015
15	Other Non-Current Assets		
	Others*	27,70	14,11
	TOTAL	<u>27,70</u>	<u>14,11</u>
	* On account of revaluation of Forward Contracts		
		(Rs. in lakh)	
		As at	As at
		31st March, 2016	31st March, 2015
16	Current Investments (Carried at lower of cost and fair value)		
	Other Investments		
	In Mutual Fund Units - Unquoted		
	77,962 (Previous Year 7,65,504) units of SBI-Premier Liquid Fund - Growth Option (Face value of Rs. 1,000 each)	18,50	168,00
	Nil (Previous Year 48,30,864) units of ICICI Prudential Liquid Fund - Direct Plan - Growth Option (Face value of Rs. 10 each)	-	100,00
	TOTAL	<u>18,50</u>	<u>268,00</u>
	Aggregate amount of Unquoted Investments	18,50	268,00
		(Rs. in lakh)	
		As at	As at
		31st March, 2016	31st March, 2015
17	Trade Receivables (Unsecured and considered good)		
	Over six months	-	-
	Others	1	3
	TOTAL	<u>1</u>	<u>3</u>
		(Rs. in lakh)	
		As at	As at
		31st March, 2016	31st March, 2015
18	Cash and Bank Balances		
	Cash and Cash Equivalents		
	Balances with Banks in current accounts	5,62	19,26
	Other bank balances		
	Fixed Deposits with Banks	9,39	7,45
	Margin Money Deposit	30	30
	TOTAL	<u>15,31</u>	<u>27,01</u>

18.1 Fixed Deposits with Banks have been pledged with Semi government authorities and includes deposits of Rs. 2,85 Lakh (Previous Year Rs. 2,89 Lakh) with maturity of more than 12 months.

18.2 Margin Money Deposit held with banks against bank guarantee issued with maturity more than 12 months.

Notes on Financial Statements for the year ended 31st March, 2016

	(Rs. in lakh)	
	As at	As at
	31st March, 2016	31st March, 2015
19 Short Term Loans and Advances (Unsecured and Considered Good)		
(a) Balance with Customs, Central Excise Authorities	5939,77	2829,68
(b) Other Loans and Advances	1671,21	851,30
TOTAL	<u>7610,98</u>	<u>3680,98</u>

19.1 Other Loans and Advances includes CENVAT credit pending for credit availment of Rs. 1384,29 Lakh (Previous Year Rs. 740,54 Lakh) and loans to employees as per the Company policy.

	(Rs. in lakh)	
	As at	As at
	31st March, 2016	31st March, 2015
20 Other Current Assets		
Others*	54,17	92,76
TOTAL	<u>54,17</u>	<u>92,76</u>

*Includes revaluation of Forward Contracts

	(Rs. in lakh)	
	2015-16	2014-15
21 Revenue from Operations		
Sale of Services	4	4
Less: Service Tax recovered [Rs. 53,865 (Previous Year Rs. 42,472)]	0	0
TOTAL	<u>4</u>	<u>4</u>

	(Rs. in lakh)	
	2015-16	2014-15
22 Other Income		
i Interest Income	90	49
ii Profit on sale of current investments	1,92	72
iii Commission on Corporate Guarantee	1	3
iv Others	39	9
TOTAL	<u>3,22</u>	<u>1,33</u>

	(Rs. in lakh)	
	2015-16	2014-15
23 Employee Benefits Expense		
i Salaries and Wages	3,67	2,87
ii Contribution to Provident and Other Funds	19	19
iii Staff Welfare Expenses	22	10
TOTAL	<u>4,08</u>	<u>3,16</u>

Notes on Financial Statements for the year ended 31st March, 2016

	(Rs. in lakh)	
24 Operating & Other Expenses	2015-16	2014-15
(i) Operating Expenses		
License Fees	1,60	70
Network and other Operating Expenses	4	6
	1,64	76
(ii) Other Expenses		
Repairs and Maintenance - Others	75	92
Insurance	50	32
Rates and Taxes	54	20
Professional Fees	99	1,20
Payment to Auditors	77	72
Sponsorship Expenses	69	3,70
Travelling Expenses	5	1
Telephone Expenses	7	3
Training Expenses	64	1,09
Printing and Stationery	68	54
Subscription Fees	69	4
Loss on Sale of Fixed Assets	25	41
General Expenses	9,04	6,40
	15,66	15,58
TOTAL	17,30	16,33

25 Previous year figures have been reworked, regrouped, re-arranged and reclassified where ever necessary to make them comparable with those of current year.

	(Rs. in lakh)	
26 Contingent Liabilities and Commitments (To the extent not provided for)	As at 31st March, 2016	As at 31st March, 2015
(a) Contingent Liabilities		
(i) Corporate Guarantees	19,30	19,30
(ii) Bank Guarantees	5029,84	7270,76
(iii) Claims/disputed liabilities against the Company not acknowledged as debts *	95,86	56,30
* The disputed liabilities are not likely to have any material effect on financial position of the Company.		
(b) Commitments		
(i) Estimated amount of contracts remaining to be executed on Capital account not provided for	12332,03	16445,37

Notes on Financial Statements for the year ended 31st March, 2016

27 As per Accounting Standard 15 “Employee benefits” the disclosures as defined in the Accounting Standard are given below:

Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

Particulars	(Rs. in lakh)	
	2015-16	2014-15
Employer’s Contribution to Provident Fund	43,08	20,99
Employer’s Contribution to Superannuation Fund	56	48
Employer’s Contribution to Pension Fund	15,10	5,35

Defined Benefit Plan

I) Reconciliation of opening and closing balances of Defined Benefit Obligation

(Rs. in lakh)

	Gratuity (Funded)		Compensated Absences (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Defined Benefit obligation at beginning of the year	25,25	6,92	18,17	7,13
Add: Transfers	2,27	22	-	4
Current Service Cost	9,21	4,30	2,82	1,33
Interest Cost	2,02	55	1,45	57
Actuarial (gain) / loss	5,98	13,51	19,39	10,03
Benefits paid	(1,89)	(25)	(1,98)	(93)
Defined Benefit obligation at year end	42,84	25,25	39,85	18,17

II) Reconciliation of opening and closing balances of fair value of Plan Assets

(Rs. in lakh)

	Gratuity (Funded)		Compensated Absences (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Fair value of Plan assets at beginning of the year	25,25	6,92	-	-
Add: Transfers	2,27	22	-	-
Expected return on plan assets	2,02	55	-	-
Actuarial gain / (loss)	58	16	-	-
Employer contribution	14,61	17,65	-	-
Benefits paid	(1,89)	(25)	-	-
Fair value of Plan assets at year end	42,84	25,25	-	-
Actual Return on plan assets	2,59	71	-	-

III) Reconciliation of fair value of assets and obligations

(Rs. in lakh)

	Gratuity (Funded)		Compensated Absences (Unfunded)	
	As at 31st March		As at 31st March	
	2016	2015	2016	2015
Fair value of Plan assets	42,84	25,25	-	-
Present value of obligation	42,84	25,25	39,85	18,17
Amount recognised in Balance Sheet	-	-	39,85	18,17

Notes on Financial Statements for the year ended 31st March, 2016

IV) Expenses recognised during the year	(Rs. in lakh)			
	Gratuity (Funded)		Compensated Absences (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Current Service Cost	9,21	4,30	2,82	1,33
Interest Cost	2,02	55	1,45	57
Expected return on Plan assets	(2,02)	(55)	-	-
Actuarial (gain) / loss	5,40	13,35	19,39	10,03
Net Cost	14,61	17,65	23,66	11,93

V) Investment Details:	As at 31st March, 2016		As at 31st March, 2015	
	(Rs. in lakh)	% invested	(Rs. in lakh)	% invested
	Insurance Policies	42,84	100	25,25

VI) Actuarial assumptions

	Gratuity (Funded)		Compensated Absences (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)
Mortality Table				
Discount rate (per annum)	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets (per annum)	8.00%	8.00%	N.A.	N.A.
Rate of escalation in salary (per annum)	6.00%	6.00%	6.00%	6.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of Plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

VII) Amounts recognised in current year and previous four years						(Rs. in lakh)
Particulars	As at 31st March					
	2016	2015	2014	2013	2012	
Gratuity						
Defined benefit obligation	42,84	25,25	6,92	1,63	44	
Fair value of plan assets	42,84	25,25	6,92	1,63	44	
Actuarial (gain) / loss on plan obligation	5,98	13,51	56	11	1	
Actuarial (gain) / loss on plan assets	(58)	16	3	-	-	

VIII) The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2015-16

Notes on Financial Statements for the year ended 31st March, 2016

28 During the current year, the Company is required to provide for cumulative amount of Rs. 35,98 lakh (Previous Year Rs. 29,73 lakh) on prorata basis towards premium payable on redemption of Preference Shares. In view of loss for the year, the Company has not provided for the said premium on preference shares. The Company shall provide the Premium on Preference Shares out of profits, if any, in the future years.

29 Deferred Tax Asset (net) is not recognised on consideration of prudence.

30 Earnings Per Share (EPS)	2015-16	2014-15
<u>Basic Earnings Per Share</u>		
i. Loss for the year as per Profit and Loss Statement (Rs. in lakh)	(23,88)	(23,12)
ii. Weighted Average number of equity shares used as denominator for calculating EPS	3036,88,52,459	2296,63,23,288
iii. Basic Earnings per share (Rs.)	(0.01)	(0.01)
iv. Face Value per equity share (Rs.)	10	10
<u>Diluted Earnings Per Share (Refer Note below)</u>		
i. Loss for the year as per Profit and Loss Statement (Rs. in lakh)	(23,88)	(23,12)
ii. Weighted Average number of equity shares used as denominator for calculating EPS	3036,88,52,459	2296,63,23,288
iii. Number of Equity Shares to be issued on conversion of Non Cumulative Optionally Convertible Preference Shares	25,00,00,000	-
iv. Weighted Average number of equity shares used as denominator for calculating diluted EPS	<u>3061,88,52,459</u>	<u>229,663,23,288</u>
v. Diluted Earnings per share (Rs.)	(0.01)	(0.01)
vi. Face Value per equity share (Rs.)	10	10

Note: The effect of potential Equity shares to be issued at the time of conversion of optionally convertible preference shares is anti-dilutive in nature and hence not considered in calculation of diluted earnings per share.

Notes on Financial Statements for the year ended 31st March, 2016

31 Related Party Disclosures

(i) List of related parties with whom transactions have taken place and relationship:-

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Holding Company
2	Reliance Jio Infocomm Pte Ltd.	Subsidiary Company
3	Reliance Jio Infocomm USA Inc.	
4	Reliance Jio Infocomm UK Ltd	
5	Reliance Jio Global Resources LLC (w.e.f. 15th January, 2015)	
6	Reliance Industrial Investments and Holdings Limited	
7	Reliance Retail Limited	
8	Reliance Universal Traders Private Limited	
9	Reliance Corporate IT Park Limited	
10	Strategic Manpower Solutions Limited	
11	Reliance Payment Solutions Limited	
12	Reliance Security Solutions Limited	
13	Reliance Strategic Investments Limited	
14	Reliance Jio Media Private Limited	
15	Reliance Jio Messaging Services Private Limited	
16	Reliance Jio Digital Services Private Limited	
17	Reliance Progressive Traders Private Limited	
18	Reliance Eminent Trading & Commercial Private Limited	
19	Reliance Prolific Traders Private Limited	
20	Reliance Petro Marketing Limited	
21	Reliance Jio Infratel Private Limited	Key Managerial Personnel
22	Sh. Sanjay Mashruwala	
23	Sh. Sandip Das (upto 15th January 2015)	
24	Sh. Mathew Oommen (from 1st August, 2015 to 18th January 2016)	
25	Sh. Rajneesh Jain (w.e.f. 15th January, 2015)	
26	Sh. V. Subramaniam (from 9th June, 2014 to 15th January, 2015)	
27	Sh. Jagdish Patra (upto 18th July, 2014)	
28	Sh. Jyoti Jain (w.e.f. 19th July, 2014)	

Notes on Financial Statements for the year ended 31st March, 2016

(ii) Transactions during the year with related parties - 2015-16

(Rs. in lakh)

Sr. No.	Nature of Transactions (excluding reimbursements)	Holding Company	Subsidiary	Fellow Subsidiary	Key Managerial Personnel	Total
1	Purchase / Subscription of Investment	-	290,48	-	-	290,48
		-	(273,03)	-	-	(273,03)
2	Shares issued and allotted	15000,00	-	-	-	15000,00
		(7053,00)	-	-	-	(7053,00)
3	Guarantee Charges	14,21	-	-	-	14,21
		(12,52)	-	-	-	(12,52)
4	Income from Guarantee Commission	-	-	-	-	-
		-	(6)	-	-	(6)
5	Purchase of Fixed Assets/Project Development Expenditure	469,43	118,22	171,05	-	758,70
		(372,35)	(11,32)	(2500,46)	-	(2884,13)
6	General Expenses	-	-	1,48	-	1,48
		-	-	(42)	-	(42)
7	Repairs and Maintenance	-	-	109,34	-	109,34
		-	-	-	-	-
8	Business Support Service/Professional Fees	-	-	400,99	-	400,99
		-	-	(691,35)	-	(691,35)
9	Interest paid	20,47	-	-	-	20,47
		(28,01)	-	-	-	(28,01)
10	Loan taken	4080,00	-	-	-	4080,00
		(4710,66)	-	-	-	(4710,66)
11	Loan repaid	4080,00	-	-	-	4080,00
		(4710,66)	-	-	-	(4710,66)
12	Sale of Fixed Assets	-	-	-	-	-
		-	-	(1,75)	-	(1,75)
13	Payment to Key Managerial Personnel	-	-	-	6,10	6,10
		-	-	-	(6,78)	(6,78)
Balances as at 31st March, 2016						(Rs. in lakh)
14	Other Payables	31,47	43,73	8338,10	-	8413,30
		(31,35)	(2,90)	(3415,99)	-	(3450,24)
15	Other current assets	-	-	2,68	-	2,68
		-	(6)	(66)	-	(72)
16	Corporate Guarantees taken	15419,16	-	-	-	15419,16
		(12769,73)	-	-	-	(12769,73)
17	Investments	-	814,84	-	-	814,84
		-	(524,36)	-	-	(524,36)
18	Share Capital	44747,49	-	125,00	-	44872,49
		(29747,49)	-	(125,00)	-	(29872,49)
19	Bank Guarantees taken	12,23	-	-	-	12,23
		(15,71)	-	-	-	(15,71)

Note: Figures in brackets represent previous year's amounts.

Notes on Financial Statements for the year ended 31st March, 2016

(iii) Disclosure in Respect of Material Related Party Transactions during the year: (Rs. in lakh)

Particulars	Relationship	2015-16	2014-15
1 Purchase / Subscription of Investment			
Reliance Jio Infocomm USA Inc	Subsidiary	80,87	90,08
Reliance Jio Infocomm UK Ltd	Subsidiary	4,63	3,11
Reliance Jio Infocomm Pte Ltd.	Subsidiary	204,98	179,84
Sub total		290,48	273,03
2 Shares issued and allotted			
Reliance Industries Limited	Holding	15000,00	7053,00
Sub total		15000,00	7053,00
3 Guarantee Charges			
Reliance Industries Limited	Holding	14,21	12,52
Sub total		14,21	12,52
4 Income from Guarantee Commission			
Reliance Jio Infocomm Pte Ltd	Subsidiary	-	6
Sub total		-	6
5 Purchase of Fixed Assets/Project Development Expenditure			
Reliance Retail Limited	Fellow Subsidiary	73,10	30,66
Reliance Industries Limited	Holding	469,43	372,35
Reliance Corporate IT Park Limited	Fellow Subsidiary	97,48	2469,80
Reliance Jio Infocomm Pte Limited	Subsidiary	118,22	11,32
Reliance Petro Marketing Limited	Fellow Subsidiary	47	-
Reliance Security Solutions Limited (Rs. 45,126)	Fellow Subsidiary	-	0
Sub total		758,70	2884,13
6 General Expenses			
Reliance Retail Limited	Fellow Subsidiary	1,48	42
Sub total		1,48	42
7 Repairs and Maintenance			
Reliance Jio Infratel Private Limited	Fellow Subsidiary	109,34	-
Sub total		109,34	-
8 Business Support Service/Professional Fees			
Reliance Security Solutions Limited	Fellow Subsidiary	-	5
Strategic Manpower Solutions Limited	Fellow Subsidiary	118,59	31,23
Reliance Corporate IT Park Limited	Fellow Subsidiary	212,36	660,07
Reliance Jio Media Private Limited	Fellow Subsidiary	6	-
Reliance Jio Infratel Private Limited	Fellow Subsidiary	69,98	-
Sub total		400,99	691,35

Notes on Financial Statements for the year ended 31st March, 2016

(iii) Disclosure in Respect of Material Related Party Transactions during the year: (Contd.) (Rs. in lakh)

Particulars	Relationship	2015-16	2014-15
9 Interest paid			
Reliance Industries Limited	Holding	20,47	28,01
Sub total		20,47	28,01
10 Loan Taken			
Reliance Industries Limited	Holding	4080,00	4710,66
Sub total		4080,00	4710,66
11 Loan repaid			
Reliance Industries Limited	Holding	4080,00	4710,66
Sub total		4080,00	4710,66
12 Sale of Fixed Assets			
Reliance Retail Limited	Fellow Subsidiary	-	1,75
Sub total		-	1,75
13 Payment to Key Managerial Personnel			
Sh. Sanjay Mashruwala	Key Managerial Personnel	4,09	1,62
Sh. Sandip Das	Key Managerial Personnel	-	3,89
Sh. Rajneesh Jain	Key Managerial Personnel	1,64	27
Sh. V. Subramaniam	Key Managerial Personnel	-	59
Sh. Jyoti Jain	Key Managerial Personnel	37	18
Sh. Jagdish Patra	Key Managerial Personnel	-	23
Sub total		6,10	6,78

Balances as at 31st March, 2016

(Rs. in lakh)

14 Other Payables			
Reliance Industries Limited	Holding	31,47	31,35
Reliance Corporate IT Park Limited*	Fellow Subsidiary	8337,74	3409,90
Reliance Retail Limited	Fellow Subsidiary	23	6,02
Reliance Jio Media Private Limited	Fellow Subsidiary	6	-
Reliance Progressive Traders Private Limited	Fellow Subsidiary	2	2
Reliance Eminent Trading & Commercial Private Limited	Fellow Subsidiary	2	2
Reliance Jio Infratel Private Limited*	Fellow Subsidiary	42,92	-
Reliance Prolific Traders Private Limited	Fellow Subsidiary	3	3
Reliance Jio Infocomm Pte Ltd	Subsidiary	43,73	2,90
Sub total		8456,22	3450,24

Notes on Financial Statements for the year ended 31st March, 2016

(iii) Disclosure in Respect of Material Related Party Transactions during the year: (Contd.) (Rs. in lakh)

Particulars	Relationship	2015-16	2014-15
15 Other Current Assets			
Reliance Retail Limited (Rs. 4,405)	Fellow Subsidiary	-	-
Reliance Payment Solutions Limited	Fellow Subsidiary	-	62
Reliance Jio Media Private Limited	Fellow Subsidiary	10	-
Reliance Jio Messaging Services Private Limited	Fellow Subsidiary	2,36	-
Reliance Jio Infocomm Pte Limited	Subsidiary	-	6
Reliance Universal Traders Limited	Fellow Subsidiary	-	4
Reliance Jio Digital Services Private Limited	Fellow Subsidiary	22	-
Sub total		2,68	72
16 Corporate Guarantees taken			
Reliance Industries Limited	Holding	15419,16	12769,73
Sub total		15419,16	12769,73
17 Investments			
Reliance Jio Infocomm USA Inc.	Subsidiary	202,25	121,38
Reliance Jio Infocomm UK Ltd	Subsidiary	7,93	3,31
Reliance Jio Infocomm Pte Ltd.	Subsidiary	604,66	399,68
Sub total		814,84	524,36
18 Share Capital			
Reliance Industries Limited	Holding	44747,49	29747,49
Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary	125,00	125,00
Sub total		44872,49	29872,49
19 Bank Guarantee			
Reliance Industries Limited	Holding	12,23	15,71
Sub total		12,23	15,71

* Includes reimbursed costs

Notes on Financial Statements for the year ended 31st March, 2016

32 Financial and Derivative Instruments

a) Derivative contracts entered into by the Company and outstanding as on 31st March, 2016

For hedging Currency and Interest Rate Related Risks:

Nominal amounts of derivative contracts entered into by the Company and outstanding as on 31st March, 2016 amount to Rs. 17565,58 lakh (Previous Year Rs. 12795,42 lakh). Category wise break up is given below:

Particulars	(Rs. in lakh)	
	As at 31st March, 2016	As at 31st March, 2015
Forward Contract	16540,58	10995,42
Currency and Interest Rate Swaps	1025,00	1025,00
Interest Rate Swaps	-	775,00

b) Foreign currency exposures (excluding Currency and Interest Rate Swap) that are not hedged by derivative instruments as on 31st March, 2016 amount to Rs. 2790,59 lakh (Previous Year Rs. 2901,54 lakh).

33 The remaining Unamortised Forward Contract Premium of Rs. 626,68 lakh (Previous Year Rs. 674,12 lakh) will be amortised over the life of the Forward Contract.

34 Segment Reporting

The Company provides Internet related services. The Company has single segment as per the requirements of Accounting Standard 17 for "Segment Reporting" notified by Companies (Accounting Standard) Rules, 2006. The assets and liabilities of the Company as on 31st March, 2016 predominantly relate to this segment.

35 Payment to Auditors	(Rs. in lakh)	
	2015-16	2014-15
i Statutory Audit Fees	54	51
ii Tax Audit Fees	3	3
iii Certification and Consultation Fees	18	17
iv Expenses Reimbursed	2	1
TOTAL	77	72

36 Value of imports calculated on CIF basis during the financial year in respect of:	(Rs. in lakh)	
	2015-16	2014-15
Capital goods	5156,01	4318,21

37 Expenditure in foreign currency	(Rs. in lakh)	
	2015-16	2014-15
i Interest and Finance Charges	460,67	568,82
ii Professional Fees	4,85	10,57
iii Annual Maintenance Charges	8,93	-
iv Travelling Expenses	1	8
v Other Establishment Expenses	59	11,91
vi Intangible Assets under Development	427,37	218,83
vii Other Project expenses	87,70	22,84
viii Subscription Fees	3,18	-
TOTAL	993,30	833,05

Notes on Financial Statements for the year ended 31st March, 2016

(Rs. in lakh)

38 Earnings in foreign currency	2015-16	2014-15
Income from Guarantee Commission	-	6

39 Details of Loans given, Investment made and Guarantee given covered u/s 186(4) of the Companies Act, 2013

- (i) The Company has not given any loans.
(ii) Investments made by the Company as at 31st March, 2016 (Refer note no. 13 & 16)
(iii) Corporate Guarantees given by the Company as at 31st March, 2016

(Rs. in lakh)

Sr. No.	Name	Purpose	As at 31st March, 2016	As at 31st March, 2015
1	Smart Digivision Private Limited	Guarantee given for general business purpose	19,30	19,30

40 (i) The Department of Telecommunication (DoT), Government of India conducted an auction for spectrum in the month of February, 2014. Under the said auction, the Company has acquired the spectrum for 20 years in the 1800 MHz band in 14 Key Service Areas at the total cost of Rs. 11026,93 lakh (spectrum fees). The Company has received the Letter of Intent (LOI) from the DoT, for allotment of the said spectrum on 8th September, 2014. The spectrum is valid for a period of 20 years from this date. The Company has opted for deferred payment option and paid an amount of Rs. 3638,89 lakh and deferred the balance amount of Rs. 7388,04 lakh.

(ii) The Department of Telecommunication (DoT), Government of India conducted an auction for spectrum in the month of March 2015. Under the said auction, the Company has received provisional allocation of spectrum for 20 years in the 800 MHz band and 1800 MHz band in 13 Key Service Areas for Rs. 10077,53 lakh (spectrum fees). Out of these, spectrum is not available in some parts of the Service Area in the 1800 MHz band in Rajasthan and Uttar Pradesh (East) [referred to as partial spectrum] for which an adjustment is made to the amount payable to the Government of India. After adjustment for partial spectrum in 2 service areas, the total cost of spectrum acquisition is Rs. 9763,28 lakh. The Company has opted for deferred payment option and paid an amount of Rs. 2591,77 lakh and deferred the balance amount of Rs. 7171,51 lakh.

41 The Company has made an advance payment of Rs. 2860,00 lakh to Reliance Communications Limited ("RCOM") towards change in allotment of agreed spectrum in the 850 MHz band in 9 Service Areas which is included in Capital Advances. The advance payment has been made as per provisions of the Agreement for Change in Spectrum Allotment between the companies dated 18th January 2016. The completion of the transaction is subject to obtaining final approval from the Department of Telecommunications, Government of India, which is pending as at 31st March'2016.

As per our Report of even date

For Chaturvedi & Shah Chartered Accountants Firm Regn No: 101720W	For Deloitte Haskins & Sells LLP Chartered Accountants Firm Regn No: 117366W/ W-100018	For Atul Kulshrestha & Co Chartered Accountants Firm Regn No: 013768N
R.Koria Partner Membership No: 35629	Abhijit A. Damle Partner Membership No: 102912	R.Varadharajan Partner Membership No: 207728

For and on behalf of the Board

Mukesh D. Ambani Chairman DIN : 00001695	Manoj H. Modi Director DIN : 00056207	Akash M. Ambani Director DIN : 06984194
Isha M. Ambani Director DIN : 06984175	Sanjay Mashruwala Managing Director DIN : 01259774	Adil Zainulbhai Director DIN: 06646490
Prof. Dipak C. Jain Director DIN: 00228513	Ranjit V. Pandit Director DIN: 00782296	Shumeet Banerji Director DIN: 02787784
Rajneesh Jain Chief Financial Officer PAN: ABFPJ1815L	Jyoti Jain Company Secretary Membership No.: A18825	

Place: Mumbai
Date: 21st April, 2016