

RELIANCE JIO INFOCOMM LIMITED
FINANCIAL STATEMENTS
2016-17

Independent Auditor's Report

To The Members of Reliance Jio Infocomm Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Reliance Jio Infocomm Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

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

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

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing 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 standalone Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable 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.

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- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company, 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements as referred to in Note 29(I)(i) to the standalone Ind AS 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016.
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 the Order.

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, 24th April, 2017

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section 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 31st March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 31st March, 2017, 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, 24th April, 2017

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ 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 / transfer 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 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, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues, applicable to the Company, 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 31st March, 2017 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, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on 31st March, 2017 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.

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- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of CARO 2016 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 paragraph 3 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.**
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Membership No. 102912

R. Varadharajan
Partner
Membership No. 207728

Mumbai, 24th April, 2017

Balance Sheet as at 31st March, 2017

Particulars	Notes	(₹ in lakh)		
		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	1	972,43	936,91	882,11
Capital Work-in-Progress	1	112424,16	64687,15	33700,77
Intangible assets	1	1,98	2,82	3,67
Intangible assets under development	1	65553,42	41384,81	26595,02
Financial Assets				
Investments	2	873,06	814,84	524,36
Other financial assets	3	3,57	3,15	3,19
Deferred tax assets (net)	4	4190,19	4173,65	4165,37
Other Non-current Assets	5	3701,37	7895,52	4224,29
Total Non-current assets		187720,18	119898,85	70098,78
Current assets				
Financial Assets				
Investments	6	-	18,52	268,13
Trade receivables	7	2	1	3
Cash and cash equivalents	8	20,68	5,62	19,26
Other Bank balances	9	6,12	6,54	4,56
Other Financial Assets	10	242,44	11,49	4,12
Other Current Assets	11	12898,98	7641,72	3730,34
Total Current assets		13168,24	7683,90	4026,44
Total Assets		200888,42	127582,75	74125,22
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	12	45000,00	45000,00	30000,00
Other Equity	13	25864,39	(7764,24)	(7748,53)
Total equity		70864,39	37235,76	22251,47
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	14	38436,15	30066,59	18691,29
Other financial liabilities	15	9025,31	2235,58	1535,77
Deferred Payment Liabilities	16	20136,73	13820,75	7388,04
Total non-current liabilities		67598,19	46122,92	27615,10
Current Liabilities				
Financial Liabilities				
Borrowings	17	5922,57	2560,79	8
Other Financial Liabilities	18	53493,69	40776,85	24135,93
Deferred Payment Liabilities	19	738,80	738,80	-
Other Current liabilities	20	2202,45	107,73	104,43
Provisions	21	68,33	39,90	18,21
Total Current Liabilities		62425,84	44224,07	24258,65
Total Liabilities		130024,03	90346,99	51873,75
Total Equity and Liabilities		200888,42	127582,75	74125,22
Significant Accounting Policies				
See accompanying Notes to the Financial Statements				

As per our Report of even date

For **Chaturvedi & Shah**
Chartered AccountantsFor **Deloitte Haskins & Sells LLP**
Chartered AccountantsFor **Atul Kulshrestha & Co**
Chartered Accountants**R.Koria**
Partner**Abhijit A. Damle**
Partner**R.Varadharajan**
Partner**Rajneesh Jain**
Chief Financial Officer**Jyoti Jain**
Company SecretaryMumbai
Date: 24th April, 2017

For and on behalf of the Board

Mukesh D. Ambani
Sanjay MashruwalaChairman
Managing Director**Manoj H. Modi**
Akash M. Ambani
Isha M. Ambani
Mahendra Nahata
Mathew Oommen
Pankaj M. Pawar
Kiran M. Thomas
Adil Zainulbhai
Prof. Dipak C. Jain
Prof. Mohanbir S. Sawhney
Ranjit V. Pandit
Shumeet Banerji

Directors

Statement of Profit and Loss for the year ended 31st March, 2017

	Notes	2016-17	(₹ in lakh) 2015-16
INCOME			
Revenue from operations	22	2	4
Other Income	23	1,20	3,11
Total Income		1,22	3,15
EXPENSES			
Employee Benefits Expense	24	6,04	4,08
Finance Costs (Interest)		1,02	1,43
Depreciation and Amortisation Expense		4,87	4,33
Operating and Other expenses	25	37,20	17,30
Total Expenses		49,13	27,14
Loss Before Tax		(47,91)	(23,99)
Tax Expenses			
Deferred Tax	4	(16,54)	(8,28)
Loss for the year		(31,37)	(15,71)
Other comprehensive income		-	-
Total comprehensive income for the year		(31,37)	(15,71)
Earnings per equity share of face value of ₹ 10 each			
Basic (in ₹)	26	(0.01)	(0.01)
Diluted (in ₹)	26	(0.01)	(0.01)
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1 to 37		

As per our Report of even date

For **Chaturvedi & Shah**
Chartered AccountantsFor **Deloitte Haskins & Sells LLP**
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For and on behalf of the Board

Mukesh D. Ambani
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Kiran M. Thomas
Adil Zainulbhai
Prof. Dipak C. Jain
Prof. Mohanbir S. Sawhney
Ranjit V. Pandit
Shumeet Banerji

Directors

Statement of Changes in Equity for the year ended 31st March, 2017

(A) Equity Share Capital

(₹ in lakh)

Balance at the beginning of the reporting period i.e. 1st April, 2015	Changes in equity share capital during the year 2015-16	Balance at the end of the reporting period i.e. 31st March, 2016	Changes in equity share capital during the year 2016-17	Balance at the end of the reporting period i.e. 31st March, 2017
30000,00	15000,00	45000,00	-	45000,00

(B) Other Equity

(₹ in lakh)

Particulars	Preference Share Capital			Reserves and Surplus		Total
	0.1% Non Cumulative Optionally Convertible Preference Shares of ₹ 10 each, fully paid up	9% Non Cumulative Optionally Convertible Preference Shares of ₹ 10 each, fully paid up	9% Non Cumulative Optionally Convertible Preference Shares of ₹ 6.22 paid up per share	Securities Premium Reserve	Retained Earnings	
AS ON 31 MARCH 2016						
Balance at the beginning of the reporting period i.e. 1st April, 2015	125,00	-	-	-	(7873,53)	(7748,53)
Total Comprehensive Income for the year	-	-	-	-	(15,71)	(15,71)
Balance at the end of the reporting period i.e. 31st March, 2016	125,00	-	-	-	(7889,24)	(7764,24)
AS ON 31 MARCH 2017						
Balance at the beginning of the reporting period i.e. 1st April, 2016	125,00	-	-	-	(7889,24)	(7764,24)
Total Comprehensive Income for the year	-	-	-	-	(31,37)	(31,37)
Shares Issued	-	3000,00	3732,00	26928,00	-	33660,00
Balance at the end of the reporting period i.e. 31st March, 2017	125,00	3000,00	3732,00	26928,00	(7920,61)	25864,39

As per our Report of even date

For **Chaturvedi & Shah**
Chartered AccountantsFor **Deloitte Haskins & Sells LLP**
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Directors

Cash Flow Statement for the year ended 31st March, 2017

	2016-17	(₹ in lakh) 2015-16
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss Before Tax as per Statement of Profit and Loss	(47,91)	(23,99)
Adjusted for :		
Depreciation and Amortisation Expense	4,87	4,33
Interest Income	(90)	(90)
Profit on Sale of Current Investments (Net)	-	(1,81)
Loss on Sale of Property, Plant and Equipment	80	25
Finance Costs (Interest)	1,02	1,43
Operating Loss before Working Capital Changes	(42,12)	(20,69)
Adjusted for :		
Trade and Other Receivables	(5867,61)	(4371,36)
Trade and Other Payables	2503,90	25,92
Cash used in Operations	(3405,83)	(4366,13)
(Taxes Paid) / Refund	-	26
Net Cash used in Operating Activities	(3405,83)	(4365,87)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of tangible and intangible assets (including Capital Work-in-Progress and Intangible Assets Under Development)	(38542,77)	(17633,77)
Proceeds from disposal of tangible and intangible assets	3,00	40
Purchase of Investments	(32733,50)	(36738,80)
Sale of Investments	32767,50	37004,70
Investments in Subsidiaries	(58,22)	(290,48)
Interest Income	-	5
Fixed Deposits	-	(1,94)
Net Cash used in Investing Activities	(38563,99)	(17659,84)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Equity Share Capital	-	15000,00
Proceeds from Issue of Preference Shares	33660,00	-
Proceeds from Long Term Borrowings	12562,00	11336,77
Repayment of Long Term Borrowings	(1041,29)	(3611,39)
Short Term Borrowings (Net)	3361,78	2560,71
Repayment of Deferred Payment Liabilities	(738,80)	-
Interest and Finance Charges Paid	(5818,81)	(3274,02)
Net Cash flow from Financing Activities	41984,88	22012,07
Net Increase / (Decrease) in Cash and Cash Equivalents	15,06	(13,64)
Opening Balance of Cash and Cash Equivalents	5,62	19,26
Closing Balance of Cash and Cash Equivalents (Refer Note 8)	20,68	5,62

As per our Report of even date

For and on behalf of the Board

For **Chaturvedi & Shah**
Chartered AccountantsFor **Deloitte Haskins & Sells LLP**
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Prof. Mohanbir S. Sawhney
Ranjit V. Pandit
Shumee Banerji

Directors

Rajneesh Jain
Chief Financial Officer**Jyoti Jain**
Company SecretaryMumbai
Date: 24th April, 2017

Significant Accounting Policies

A CORPORATE INFORMATION

Reliance Jio Infocomm Limited (“the Company”) is a public limited company incorporated in India, having its registered office at 9th Floor, Maker Chambers IV, 222, Nariman Point, Mumbai - 400021. The Company’s holding company is Reliance Industries Limited.

B ACCOUNTING POLICIES

B.1 BASIS OF PREPARATION AND PRESENTATION

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

- i Certain financial assets and liabilities (including derivative instruments),
- ii Defined benefit plans - plan assets

The financial statements of the Company have been prepared to comply with the Indian Accounting standards (‘Ind AS’), including the rules notified under the relevant provisions of the Companies Act, 2013.

Upto the year ended March 31, 2016, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as “Previous GAAP”.

These financial statements are the Company’s first Ind AS standalone financial statements

Company’s financial statements are presented in Indian Rupees which is also its functional currency.

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets 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 costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Expenses relating to project, net of income earned during the project development stage are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

The Company shall capitalise the assets when they are available for use and are working in the manner as intended by the management. The assets shall be considered as being available for intended use; when the Quality of Service (QoS) laid down by the management is achieved.

Depreciation on Property Plant and Equipments is provided on straight line method and based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 unless otherwise stated.

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

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(b) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leased Assets

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a

Significant Accounting Policies (Contd.)

constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed

(c) Intangible assets

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

A summary of amortisation policies applied to the Company's intangible assets to the extent of depreciable amount is, as follows:

- i Software are amortised on straight line method, over a period of 5 to 10 years.
- ii License Fee are amortised over the remainder of the License period from the date of commencement of the commercial operation.
- iii Spectrum Fees will be amortised from the date of commencement of commercial operation over the balance validity period.

(d) Finance Cost

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised 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.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

(e) Impairment of non-financial assets - property, plant and equipment and intangible assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Significant Accounting Policies (Contd.)

(f) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

(g) Employee Benefits Expenses

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.

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 Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective IT authorities.

The liability in respect of gratuity 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.

(h) Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(i) Foreign Currencies transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign

Significant Accounting Policies (Contd.)

currency borrowings and that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost of such assets. Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

(j) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue is recognised only if following conditions are satisfied:

- Revenue can be measured reliably,
- It is probable that the economic benefit associated with the transaction will flow to the Company,
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably

Interest income

Interest income from a financial asset is recognised using effective interest rate method.

Dividends

Revenue is recognised when the Company's right to receive the payment has been established.

(k) Financial Instruments

i) Financial Assets

A. Initial recognition and measurement:

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

B. Subsequent measurement

a) Financial assets carried at amortised cost (AC)

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

b) Financial assets at fair value through other comprehensive income (FVTOCI)

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

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

C. Investment in Subsidiaries

The Company has accounted for its investments in subsidiaries at cost.

Significant Accounting Policies (Contd.)

D. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

ii) Financial liabilities

A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) Derivative financial instruments and Hedge Accounting

The Company uses various derivative financial instruments such as interest rate swaps, currency swaps, forwards & options to mitigate the risk of changes in interest rates and exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Hedges that meet the criteria for hedge accounting are accounted for as follows

Fair Value Hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates and foreign exchange rates. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

C Critical accounting judgements and key sources of estimation uncertainty

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

a) Depreciation / amortisation and useful lives of Property, plant and equipment / Intangible assets

Property, plant and equipment / Intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

b) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Significant Accounting Policies (Contd.)

c) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

D First time adoption of Ind AS

The Company has adopted Ind AS with effect from 1st April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Retained Earnings as at 1st April 2015. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

Exemptions from retrospective application

(i) Business combination exemption

The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "BusinessCombinations" to business combinations consummated prior to April 1, 2015 (the "Transition Date"), pursuant to which goodwill/capital reserve arising from a business combination has been stated at the carrying amount prior to the date of transition under Indian GAAP. The Company has also applied the exemption for past business combinations to acquisitions of investments in subsidiaries consummated prior to the Transition Date.

(ii) Fair value as deemed cost exemption

The Company has elected to measure items of Property, plant and equipment, Intangible assets, Capital work in Progress and Intangible Assets under Development at its carrying value at the transition date except for certain class of assets which are measured at fair value as deemed cost.

(iii) Long Term Foreign Currency Monetary Items

The Company continues the policy of capitalising exchange differences arising on translation of long term foreign currency monetary items.

(iv) Investments in subsidiaries

The Company has elected to measure investment in subsidiaries at cost.

Notes on Financial Statements for the year ended 31st March, 2017

1 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, 1800 MHz band and 800 MHz band in the auction for Spectrum conducted by the Department of Telecommunications, Government of India. The Company has commenced wireless telecommunication services from 5th September, 2016. The Company will commence amortization / depreciation of the cost of the Project and will cease to capitalize the expenses on the Project when the assets are available for use in the manner as intended by the Management, i.e. when all the Quality of Service parameters set by the Management are met. The expenditure towards the Digital Services Project comprises of Capital Work-in-Progress amounting to ₹ 112424,16 lakh (Previous Year ₹64687,15 lakh) and Intangible Assets under Development amounting to ₹ 65553,42 lakh (Previous Year ₹41384,81 lakh).

Capital Work-in-Progress includes :

- ₹ 15125,32 lakh (Previous Year ₹13222,92 lakh) on account of capital goods inventory.
- ₹ 1178,03 lakh (Previous Year ₹625,62 lakh) on account of foreign currency exchange loss (net).
- ₹ 32113,42 lakh (Previous Year ₹13409,26 lakh) on account of Project Development Expenditure.

Project Development Expenditure as detailed below:

	2016-17	2015-16
Opening Balance	13409,26	4596,95
Add :		
Salaries and Wages	2455,08	1430,81
Contribution to Provident Fund and other Funds	113,54	72,60
Staff Welfare Expenses	120,20	84,17
Depreciation	140,79	98,96
Insurance	54,36	21,97
Travelling Expenses	103,31	77,72
Professional Fees	2870,90	1668,13
Interest and Finance charges	4518,97	2586,18
Rent	2143,87	1305,36
Repairs and Maintenance	1258,10	401,76
Power and Fuel	1817,28	669,63
Interconnect Charges	2588,90	12,75
Other Expenses	901,43	400,88
Less: Revenue from Operations	(362,01)	-
Less: Other Income*	(20,56)	(18,61)
Closing Balance	32113,42	13409,26

*Includes Interest Income ₹ 4,85 lakh (Previous Year ₹1,84 lakh) and Profit on sale of Current Investments ₹15,50 lakh (Previous Year ₹ 14,48 lakh)

- The Company has considered fair value for Capital Work-in-Progress as at 1st April, 2015 with a reduction of ₹ 3892,84 lakh including reduction in capital goods inventory and Project Development Expenditure in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the retained earnings.
- Assets include assets pledged as security - refer note no 14.1 .

Intangible Assets under Development includes:

- ₹12546,00 lakh (Previous Year ₹ 12546,00 lakh) being fair value 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.
- ₹13,92 lakh (Previous Year ₹ 13,92 lakh) being fair value of Unified License in all 22 telecom circles valid for a period of 20 years from 21st October, 2013.

Notes on Financial Statements for the year ended 31st March, 2017

- (c) ₹ 11059,37 lakh (Previous Year ₹ 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.
- (d) ₹ 7876,42 lakh (Previous Year ₹ 7876,42 lakh) 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) ₹ 2237,33 lakh (Previous Year ₹ 1886,86 lakh) 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) ₹ 3918,47 lakh (Previous Year Nil) being cost of change in allotment of agreed spectrum in the 850 MHz band in 13 Service Areas in accordance with the Agreement for Change in Spectrum Allotment with Reliance Communications Limited dated 18th January, 2016.
- (g) ₹ 12443,86 lakh (Previous Year Nil) being cost of acquisition of Spectrum of 800 MHz/1800 MHz/2300 MHz across all telecom circles valid for a period of 20 years from 10th November, 2016.
- (h) ₹ 1352,13 lakh (Previous Year ₹ 768,11 lakh) on account of foreign currency Exchange Loss (net).
- (i) ₹ 6068,81 lakh (Previous Year ₹ 3420,78 lakh) on account of Project Development Expenditure.

Project Development Expenditure as detailed below:

	(₹ in lakh)	
	2016-17	2015-16
Opening Balance	3420,78	1175,18
Add :		
Interest	2524,37	2137,67
Other Borrowing Costs	18,34	14,94
Spectrum Usage Charges/License Fees	80,29	47,35
Maintenance cost on fibre taken on IRU	25,02	45,64
Closing Balance	6068,81	3420,78

- (j) The Company has considered fair value for Spectrum, Unified Licence and Other Intangible Assets under Development with a reduction of ₹ 8095,36 lakh in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the retained earnings.
- (k) In the spectrum auction conducted by DoT, Government of India in October 2016, the Company has acquired the right to use spectrum for 20 years in the 800 MHz band, 1800 MHz band and 2300 Mhz band across all 22 Service Areas at a total cost of ₹ 13672,46 lakh. The Company has made up front payment of ₹ 5930,36 lakh in October 2016. Assignment of Spectrum has been received for entire spectrum effective from 10th November, 2016, except for 3.75 MHz spectrum in 800 MHz band for Gujarat Service Area which will be available with effect from 30th September, 2017.

2 Non-Current Investments	As at		As at		As at	
	31st March,2017	31st March,2016	31st March,2016	1st April, 2015	1st April, 2015	As at
	Units	Amount	Units	Amount	Units	Amount
Investments measured at Cost						
In Equity Shares of Subsidiary Companies						
Unquoted, fully paid up						
Reliance Jio Infocomm Pte. Ltd. of USD 1 each	9,80,00,000	604,66	9,80,00,000	604,66	6,66,00,000	399,68
Reliance Jio Infocomm USA, Inc. of USD 0.01 each	3,64,97,66,449	228,83	3,24,97,66,449	202,25	1,98,92,66,449	121,38
Reliance Jio Infocomm UK Limited of GBP 1 each	30,00,000	39,57	800,000	7,93	3,33,333	3,30
Total Non Current Investments		873,06		814,84		524,36
Aggregate amount of unquoted investments		873,06		814,84		524,36

Notes on Financial Statements for the year ended 31st March, 2017

	As at 31st March, 2017	As at 31st March, 2016	(₹ in lakh) As at 1st April, 2015
2.1 Category wise Non current investment			
Financial assets measured at Cost	873,06	814,84	524,36
Total Non current investment	873,06	814,84	524,36

2.2 Details of each of the subsidiary companies are given below:

Name of the Subsidiaries	Principal place of business	Country of Incorporation	Proportion of ownership interest
Reliance Jio Infocomm Pte. Ltd.	Singapore	Singapore	100%
Reliance Jio Infocomm USA, Inc.	U.S.A.	U.S.A.	100%
Reliance Jio Infocomm UK Limited	U.K.	U.K.	100%

	As at 31st March, 2017	As at 31st March, 2016	(₹ in lakh) As at 1st April, 2015
3 Other Financial Assets - Non Current			
Bank deposits with more than 12 months maturity	3,57	3,15	3,19
Total	3,57	3,15	3,19

Fixed Deposits with Banks have been pledged with Semi government authorities

4 Deferred tax assets (net)

- a. Deferred tax is calculated, in full, on all temporary timing differences under the liability method based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. The movement on the deferred tax account is as follows:

	As at 31st March, 2017	As at 31st March, 2016	(₹ in lakh) As at 1st April, 2015
At start of year	4173,65	4165,37	-
Ind-AS transition adjustment	-	-	4165,37
Credit to Statement of Profit and Loss	16,54	8,28	-
At end of year	4190,19	4173,65	4165,37

Deferred tax assets at the end of the reporting period and deferred tax credit in Statement of Profit and Loss and Other Comprehensive Income

	As at 1st April, 2016	Credit to profit or loss	(₹ in lakh) As at 31st March, 2017
Deferred tax asset in relation to:			
Property, plant and equipment	4148,00	-	4148,00
Carried Forward Losses	26,64	16,58	43,22
Disallowance under the Income Tax Act, 1961	(99)	(4)	(1,03)
Total	4173,65	16,54	4190,19

Notes on Financial Statements for the year ended 31st March, 2017

	(₹ in lakh)	
	Year ended 31st March, 2017	Year ended 31st March, 2016
b. Income tax recognised in Statement of Profit and Loss		
Deferred tax		
In respect of the current year	(16,54)	(8,28)
Total income tax expenses recognised in the current year	<u>(16,54)</u>	<u>(8,28)</u>

The income tax expenses for the year can be reconciled to the accounting profit as follows:

	(₹ in lakh)	
	Year ended 31st March, 2017	Year ended 31st March, 2016
Loss before tax	(47,91)	(23,99)
Applicable Tax Rate	34.608%	34.608%
Computed Tax Expense	(16,58)	(8,30)
Tax effect of :		
Expenses not allowed	4	2
Tax Expenses recognised in Statement of Profit and Loss	<u>(16,54)</u>	<u>(8,28)</u>
Effective Tax Rate	<u>34.52%</u>	<u>34.51%</u>

	(₹ in lakh)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
5 Other non-current assets (Unsecured and Considered Good)			
Capital Advances	2106,39	6680,71	3441,70
Security Deposits	1565,24	1212,87	782,15
Advance Income Tax and TDS	29,74	1,94	44
Total	<u>3701,37</u>	<u>7895,52</u>	<u>4224,29</u>

	(₹ in lakh)					
	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Units	Amount	Units	Amount	Units	Amount
6 Current Investments						
Investments measured at Fair Value Through Profit or Loss						
In Mutual Fund - Unquoted						
SBI-Premier Liquid Fund - Growth Option (Face value of ₹ 1,000 each)	-	-	77,962	18,52	765,504	168,08
ICICI Prudential Liquid Fund - Direct Plan - Growth Option (Face value of ₹ 10 each)	-	-	-	-	48,30,864	100,05
Total Current Investments		<u>-</u>		<u>18,52</u>		<u>268,13</u>
Aggregate amount of unquoted investments		-		18,52		268,13

	(₹ in lakh)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
6.1 Category-wise current investment			
Financial assets measured at Fair value through Profit or Loss	-	18,52	268,13
Total Current investment	<u>-</u>	<u>18,52</u>	<u>268,13</u>

Notes on Financial Statements for the year ended 31st March, 2017

			(₹ in lakh)
7 Trade Receivables	As at	As at	As at
(Unsecured and considered good)	31st March, 2017	31st March, 2016	1st April, 2015
Trade receivables	2	1	3
Total	2	1	3

			(₹ in lakh)
8 Cash and cash equivalents	As at	As at	As at
(Unsecured and considered good)	31st March, 2017	31st March, 2016	1st April, 2015
Balances with Banks	20,68	5,62	19,26
Total	20,68	5,62	19,26

8.1 Please refer note 35 for details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016.

			(₹ in lakh)
9 Bank balances other than covered in Cash and cash equivalents	As at	As at	As at
(Unsecured and considered good)	31st March, 2017	31st March, 2016	1st April, 2015
Fixed deposits with banks	6,12	6,54	4,56
Total	6,12	6,54	4,56

Fixed Deposits with Banks have been pledged with Semi government authorities

			(₹ in lakh)
10 Other Financial Assets	As at	As at	As at
(Unsecured and considered good)	31st March, 2017	31st March, 2016	1st April, 2015
Interest accrued on Fixed Deposit	2,34	1,43	62
Others*	240,10	10,06	3,50
Total	242,44	11,49	4,12

* Includes Loan to employees and Interconnect receivables.

			(₹ in lakh)
11 Other Current Assets	As at	As at	As at
(Unsecured and considered good)	31st March, 2017	31st March, 2016	1st April, 2015
Balance with Customs, Central Excise Authorities*	12473,38	7324,06	2829,68
Others**	425,60	317,66	900,66
Total	12898,98	7641,72	3730,34

* includes CENVAT credit pending for credit availment of ₹ 2191,37 lakh (Previous Year ₹ 1384,29 lakh)

** includes primarily prepaid expenses and claims receivables

Notes on Financial Statements for the year ended 31st March, 2017

12 Share Capital	(₹ in lakh)					
	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Units	Amount	Units	Amount	Units	Amount
Authorised Share Capital :						
Equity Shares of ₹10 each	61,00,00,00,000	61000,00	50,00,00,00,000	50000,00	50,00,00,00,000	50000,00
Preference Shares of ₹10 each	9,13,00,00,000	9130,00	13,00,00,000	130,00	13,00,00,000	130,00
		<u>70130,00</u>		<u>50130,00</u>		<u>50130,00</u>
Issued, Subscribed and Paid up:						
Equity Shares of ₹10 each, fully paid up	45,00,00,00,000	45000,00	45,00,00,00,000	45000,00	30,00,00,00,000	30000,00
Total		<u>45000,00</u>		<u>45000,00</u>		<u>30000,00</u>

12.1 Terms/rights attached to equity shares :

The company has only one class of equity shares having a par value of ₹ 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.

12.2 The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	No. of Shares	No. of Shares	No. of Shares
Equity shares at the beginning of the year	45,00,00,00,000	30,00,00,00,000	22,94,70,00,000
Add: Issue of Shares	-	15,00,00,00,000	7,05,30,00,000
Equity shares at the end of the year	<u>45,00,00,00,000</u>	<u>45,00,00,00,000</u>	<u>30,00,00,00,000</u>

12.3 The 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	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Reliance Industries Limited (Holding Company)	44,74,74,90,000	99.44%	44,74,74,90,000	99.44%	29,74,74,90,000	99.16%

13 Other Equity

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Preference Share Capital			
0.1% Non Cumulative Optionally Convertible Preference Shares of ₹ 10 each, fully paid up	125,00	125,00	125,00
9% Non Cumulative Optionally Convertible Preference Shares of ₹ 10 each, fully paid up	3000,00	-	-
9% Non Cumulative Optionally Convertible Preference Shares of ₹ 10 each, ₹ 6.22 paid up	3732,00	-	-
	<u>6857,00</u>	<u>125,00</u>	<u>125,00</u>
Reserves and Surplus			
Securities Premium Reserve	26928,00	-	-
Retained Earnings	(7920,61)	(7889,24)	(7873,53)
	<u>19007,39</u>	<u>(7889,24)</u>	<u>(7873,53)</u>
Total	<u>25864,39</u>	<u>(7764,24)</u>	<u>(7748,53)</u>

Notes on Financial Statements for the year ended 31st March, 2017

	As at 31st March,2017	As at 31st March,2016	(₹ in lakh) As at 1st April,2015
0.1% Non Cumulative Optionally Convertible Preference Share Capital, fully paid up			
As per last Balance Sheet	125,00	125,00	125,00
Changes during the year	-	-	-
Balance at end of year	125,00	125,00	125,00

Terms/ rights attached to Preference Shares :

0.1% Non-Cumulative Optionally Convertible Preference Shares ("OCPS-Series-I") are convertible into 2 (Two) Equity Shares of ₹10 each at any time at the option of the Company but in any case not later than June 29, 2030 and in the event the shares are not converted, these will be redeemed at any time at the option of the Company at ₹ 20 each but not in any case later than June 29, 2030.

The reconciliation of the number of shares outstanding is set out below:

	As at 31st March,2017	As at 31st March,2016	As at 1st April,2015
Particulars	No. of Shares	No. of Shares	No. of Shares
Preference shares at the beginning of the year	12,50,00,000	12,50,00,000	12,50,00,000
Add: Issue of Shares	-	-	-
Preference shares at the end of the year	12,50,00,000	12,50,00,000	12,50,00,000

The 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	As at 31st March,2017		As at 31st March,2016		As at 1st April,2015	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Reliance Industrial Investments and Holdings Limited (Subsidiary of Holding Company)	12,50,00,000	100%	12,50,00,000	100%	12,50,00,000	100%

	As at 31st March, 2017	As at 31st March, 2016	(₹ in lakh) As at 1st April, 2015
9% Non Cumulative Optionally Convertible Preference Share Capital, fully paid up			
As per last Balance Sheet	-	-	-
Add: Issue of shares	3000,00	-	-
Balance at end of year	3000,00	-	-

Terms/ rights attached to Preference Shares :

The amount subscribed/paid on each 9% - Non-Cumulative Optionally Convertible Preference Shares ("OCPS-Series-II") shall be either redeemed at ₹ 50 or converted into 5 (Five) Equity Shares of ₹ 10 each at any time at the option of the Company, but not later than 10 years from the date of allotment of the OCPS-Series-II (i.e. October 3, 2016).

The reconciliation of the number of shares outstanding is set out below:

	As at 31st March,2017	As at 31st March,2016	As at 1st April,2015
Particulars	No. of Shares	No. of Shares	No. of Shares
Preference shares at the beginning of the year	-	-	-
Add: Issue of Shares	3,00,00,00,000	-	-
Preference shares at the end of the year	3,00,00,00,000	-	-

Notes on Financial Statements for the year ended 31st March, 2017

The 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	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No of Shares	% held	No of Shares	% held	No of Shares	% held
Reliance Industries Limited (Holding Company)	3,00,00,00,000	100%	-	N.A.	-	N.A.

(₹ in lakh)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015

9% Non Cumulative Optionally Convertible Preference Share Capital, ₹ 6.22 paid up per share

As per last Balance Sheet	-	-	-
Add: Issue of shares	3732,00	-	-
Balance at end of year	3732,00	-	-

Terms/ rights attached to Preference Shares :

The amount subscribed/paid on each 9% - Non-Cumulative Optionally Convertible Preference Shares ("OCPS-Series-III") shall be either redeemed at ₹ 50 or converted into 5 (Five) Equity Shares of ₹ 10 each at any time at the option of the Company, but not later than 10 years from the date of allotment of the OCPS-Series-III (i.e. February 6, 2017).

The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	No. of Shares	No. of Shares	No. of Shares
Preference shares at the beginning of the year	-	-	-
Add: Issue of Shares	6,00,00,00,000	-	-
Preference shares at the end of the year	6,00,00,00,000	-	-

The 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	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Reliance Industries Limited (Holding Company)	6,00,00,00,000	100%	-	N.A.	-	N.A.

Note: The voting rights on the above series of OCPS is as prescribed under the provisions of the Companies Act, 2013.

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015

₹ in lakh)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Securities Premium Reserve			
As per last Balance Sheet	-	-	-
Add: Issue of shares	26928,00	-	-
Balance at end of year	26928,00	-	-

Notes on Financial Statements for the year ended 31st March, 2017

	As at 31st March, 2017	As at 31st March, 2016	(₹ in lakh) As at 1st April, 2015
Retained Earnings			
As per last Balance Sheet	(7889,24)	(7873,53)	(50,83)
Add: Loss for the year	(31,37)	(15,71)	
Impact under Ind-AS on first time adoption	-	-	(7822,70)
Balance at end of year	(7920,61)	(7889,24)	(7873,53)

In view of loss for the year, the Company has not created the Debenture Redemption Reserve for cumulative amount of ₹1942,91 lakh (Previous Year ₹972,89 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.

14 Borrowings	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
(I) Secured - At amortised cost						
(a) Non Convertible Debentures	12500,00	-	7500,00	-	-	-
(b) Term loans						
(i) From banks	1335,17	170,69	1506,37	5,26	1511,67	5,18
	13835,17	170,69	9006,37	5,26	1511,67	5,18
(II) Unsecured - At amortised cost						
(a) Non Convertible Debentures *	7000,00	-	7000,00	-	7000,00	-
(b) Term loans						
(i) From banks	16072,67	2532,86	12787,73	31,95	9693,55	3500,00
(ii) From other parties	1528,31	400,52	1272,49	298,11	486,07	108,32
	24600,98	2933,38	21060,22	330,06	17179,62	3608,32
TOTAL	38436,15	3104,07	30066,59	335,32	18691,29	3613,50

14.1 Secured Non Convertible Debentures referred to in 14(I)(a) 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:

- 30,000 (Previous Year 30,000) 8.25% p.a. Secured Redeemable Non Convertible Debentures (NCD - PPD8) of face value of ₹10,00,000/- each, aggregating to ₹ 3000,00 lakh (Previous Year ₹ 3000,00 lakh) redeemable at par in 3 equal installments on October 30 in the years 2023, 2024, 2025.
- 20,000 (Previous Year Nil) 8.32% p.a. Secured Redeemable Non Convertible Debentures (NCD - PPD11) of face value of ₹10,00,000/- each, aggregating to ₹ 2000,00 lakh (Previous Year Nil) redeemable at par on 8th July, 2021.
- 7,500 (Previous Year Nil) 8.10% p.a. Secured Redeemable Non Convertible Debentures (NCD - PPD10) of face value of Rs.10,00,000/- each, aggregating to ₹ 750,00 lakh (Previous Year Nil) redeemable at par on 31st May, 2019.
- 22,500 (Previous Year Nil) 8.10% p.a. Secured Redeemable Non Convertible Debentures (NCD - PPD9) of face value of ₹10,00,000/- each, aggregating to ₹ 2250,00 lakh (Previous Year Nil) redeemable at par on 29th April, 2019.
- 10,000 (Previous Year 10,000) 8.40% p.a. Secured Redeemable Non Convertible Debentures (NCD - PPD7) of face value of ₹10,00,000/- each, aggregating to ₹ 1000,00 lakh (Previous Year ₹ 1000,00 lakh) redeemable at par on 3rd August, 2018.
- 35,000 (Previous Year 35,000) 8.55% p.a. Secured Redeemable Non Convertible Debentures (NCD - PPD6) of face value of ₹10,00,000/- each, aggregating to ₹ 3500,00 lakh (Previous Year ₹ 3500,00 lakh) redeemable at par on 31st July, 2018.

Notes on Financial Statements for the year ended 31st March, 2017

14.2 Secured term loans from banks referred to in 14(I)(b) above comprise of the following :

- (a) Loan of ₹ 5,86 lakh (Previous Year ₹ 11,63 lakh) secured by hypothecation of specific vehicles and repayable over a period of 4 years in equated monthly installments.
- (b) Loan of ₹1500,00 lakh (Previous Year ₹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 December, 2017.

14.3 Debentures referred to in 14(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 ₹10,00,000/- each, aggregating to ₹ 1000,00 lakh (Previous Year ₹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 ₹10,00,000/- each, aggregating to ₹ 2500,00 lakh (Previous Year ₹ 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 ₹10,00,000/- each, aggregating to ₹ 1000,00 lakh (Previous Year ₹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 ₹10,00,000/- each, aggregating to ₹ 1000,00 lakh (Previous Year ₹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 ₹10,00,000/- each, aggregating to ₹ 1000,00 lakh (Previous Year ₹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 ₹10,00,000/- each, aggregating to ₹500,00 lakh (Previous Year ₹ 500,00 lakh) redeemable at par on 18th November, 2019.

14.4 Unsecured Term Loans from Banks referred to in 14 (II) (b) (i) 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 ₹4619,78 lakh (US \$ 712.38 Million) repayable in 20 semi-annual installments starting December 2016.
- (b) Loan of ₹955,71 lakh (US \$ 147.37 Million) repayable in 20 semi-annual installments starting November 2017. Loan has been recognised net of arrangement fees of ₹ 197,45 lakh.
- (c) Loan of ₹ 3242,50 lakh (US \$ 500 Million)

Date	Amount
29th November 2021	₹ 1621,25 lakh (US \$ 250 Million)
30th November 2020	₹ 1621,25 lakh (US \$ 250 Million)
- (d) Loan of ₹ 6485,00 lakh (US \$ 1000 Million)

Date	Amount
28th May 2020	₹ 3242,50 lakh (US \$ 500 Million)
28th November 2019	₹ 3242,50 lakh (US \$ 500 Million)
- (e) Loan of ₹ 1500,00 lakh carries interest rate of 9.15% p.a. and is repayable on 29th May, 2018.
- (f) Loan of ₹ 2000,00 lakh carries interest rate of 9.15% p.a. and is repayable on 31st December, 2017.

14.5 Unsecured loans from others referred to in 14 (II) (b) (ii) 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.

Notes on Financial Statements for the year ended 31st March, 2017

14.6 All payment obligations under Unsecured Loans of ₹ 19231,82 lakh (Previous Year ₹ 14606,16 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 ₹ 1025,00 lakh and corresponding exchange loss of ₹ 438,34 lakh (Previous Year ₹ 470,05 lakh) is disclosed under Non Current Liabilities - Other Financial Liabilities (Refer Note 15)

(₹ in lakh)

15 Other financial liabilities	As at	As at	As at
	31st March, 2017	31st March, 2016	1st April, 2015
Interest accrued but not due on borrowings	46,84	18,05	-
Interest accrued but not due on Deferred Payment Liabilities	2901,26	1605,48	801,75
Creditors for Capital Expenditure	5216,16	142,01	240,79
Others*	861,05	470,04	493,23
Total	9025,31	2235,58	1535,77

*Comprises of Provision for Mark to Market loss on Forward Contracts and Exchange Loss referred to in Note 14.

16 Deferred Payment Liabilities	As at	As at	As at
	31st March, 2017	31st March, 2016	1st April, 2015
Unsecured			
Payable to Department of Telecommunication ("DoT") :			
Towards 1800 MHz Spectrum (Refer Note 16.1)	5910,44	6649,24	-
Towards 800MHz/1800 MHz Spectrum (Refer Note 16.2)	7171,51	7171,51	7388,04
Towards 1800 MHz Spectrum (Refer Note 16.3)	256,13	-	-
Towards 800MHz/1800 MHz/2300 MHz Spectrum (Refer Note 16.4)	6798,65	-	-
Total	20136,73	13820,75	7388,04

16.1 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.

16.2 Represents amount payable towards cost of acquisition of Spectrum of 800/1800 MHz in 13 Key Service Areas repayable in 10 equated annual installments starting from April, 2018 and carries interest rate of 10% p.a.

16.3 Represents amount payable towards cost of acquisition of Spectrum of 1800 MHz in 3 Key Service Areas repayable in 10 equated annual installments starting from September, 2019 and carries interest rate of 10% p.a.

16.4 Represents amount payable towards cost of acquisition of Spectrum of 800/1800/2300 MHz across all telecom circles repayable in 10 equated annual installments starting from November, 2019 and carries interest rate of 9.30% p.a.

(₹ in lakh)

17 Borrowings - Current	As at	As at	As at
	31st March, 2017	31st March, 2016	1st April, 2015
Unsecured - At amortised cost			
From Banks	-	1900,00	-
Bank Overdraft*	92	19,29	8
Rupee Loans - Commercial Paper**	5921,65	641,50	-
TOTAL	5922,57	2560,79	8

*Bank overdraft carries interest rate of 7.60% p.a.

**Commercial papers repayable in 60 to 90 days carries interest rate of 6.40% p.a. - Maximum amount outstanding at any time during the year was ₹ 5924,31 lakh (Previous Year ₹ 5946,03 lakh)

Notes on Financial Statements for the year ended 31st March, 2017

	(₹ in lakh)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
18 Other financial liabilities - Current			
Current maturities of Long Term Debt (Secured)	170,69	5,26	5,18
Current maturities of Long Term Debt (Unsecured)	2933,38	330,06	3608,32
Interest accrued but not due on borrowings	1038,94	653,68	378,48
Interest accrued but not due on Deferred Payment Liabilities	716,06	716,06	-
Creditors for Capital Expenditure	46191,38	37777,77	19079,75
Other Payables	2443,24	1294,02	1064,20
Total	53493,69	40776,85	24135,93

18.1 Other payables include financial liability at fair value, employee dues, etc.

18.2 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:

Particulars	(₹ in lakh)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Principal amount due and remaining unpaid	-	-	-
Interest due on above and unpaid interest	-	-	-
Interest paid	-	-	-
Payment made beyond the appointed day during the year	-	-	-
Interest due and payable for the period of delay	-	-	-
Interest accrued and remaining unpaid	-	-	-
Amount of further Interest remaining due and payable in succeeding years	-	-	-
Total	-	-	-

	(₹ in lakh)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
19 Deferred Payment Liabilities - Current			
Unsecured			
Payable to DoT towards 1800 MHz Spectrum (Refer Note 19.1)	738,80	738,80	-
Total	738,80	738,80	-

19.1 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.

	(₹ in lakh)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
20 Other current liabilities			
Revenue received in advance	1947,00	15,10	-
Other Payables*	255,45	92,63	104,43
Total	2202,45	107,73	104,43

*Other Payables includes statutory dues, etc.

	(₹ in lakh)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
21 Provisions - Current			
Provisions for Employee Benefits (Refer Note 27)	68,33	39,90	18,21
Total	68,33	39,90	18,21

Notes on Financial Statements for the year ended 31st March, 2017

	2016-17	(₹ in lakh) 2015-16
22 Revenue from Operations		
Sale of Services	2	4
Total	<u>2</u>	<u>4</u>
		(₹ in lakh)
	2016-17	2015-16
23 Other Income		
Interest Income from fixed deposits	90	90
Profit / (Loss) on sale of current investments		
Realised Gain	-	1,92
Unrealised Loss	-	(11)
Others	30	40
Total	<u>1,20</u>	<u>3,11</u>
		(₹ in lakh)
	2016-17	2015-16
24 Employee Benefits Expense		
Salaries and Wages	5,27	3,67
Contribution to Provident Fund and Other Funds	25	19
Staff Welfare Expenses	52	22
Total	<u>6,04</u>	<u>4,08</u>
		(₹ in lakh)
	2016-17	2015-16
25 Operating and Other expenses		
Operating Expenses		
License Fees	1,72	1,60
Network and other Operating Expenses	1	4
	<u>1,73</u>	<u>1,64</u>
Other Expenses		
Repairs and Maintenance - Others	2,71	75
Insurance	33	50
Rates & Taxes	10	54
Professional Fees	1,38	99
Payment to Auditors (Refer Note 33)	1,12	77
Travelling Expenses	-	5
Training Expenses	36	64
Selling and Distribution Expenses	17,88	3,76
Printing and Stationery	1,72	68
Subscription Fees	5	69
Loss on Sale of Property, Plant & Equipments	80	25
General Expenses	9,02	6,04
	<u>35,47</u>	<u>15,66</u>
Total	<u>37,20</u>	<u>17,30</u>

Notes on Financial Statements for the year ended 31st March, 2017

26 EARNINGS PER SHARE (EPS)

	2016-17	2015-16
i. Net Loss after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in lakh)	(31,37)	(15,71)
ii. Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	45,00,00,00,000	30,36,88,52,459
iii. Basic Earnings per share (₹)	(0.01)	(0.01)
iv. Diluted Earnings per share (₹)	(0.01)	(0.01)
v. Face Value per equity share (₹)	10	10

Note: The effect of weighted average potential Equity shares of 12,08,56,16,438 (Previous Year 25,00,00,000) 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 dilutive earnings per share.

27 As per Indian Accounting Standard 19 "Employee benefits" the disclosures as defined are given below :

Defined Contribution Plans

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

Particulars	2016-17	2015-16
Employer's Contribution to Provident Fund	60,56	43,08
Employer's Contribution to Superannuation Fund	63	56
Employer's Contribution to Pension Fund	28,90	15,10

Defined Benefit Plan

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

Particulars	Gratuity (Funded)	
	2016-17	2015-16
Defined Benefit obligation at beginning of the year	42,84	25,25
Add : Transfers	5,41	2,27
Current Service Cost	19,98	9,21
Interest Cost	3,43	2,02
Actuarial (gain) / loss	4,83	5,98
Benefits paid	(2,13)	(1,89)
Defined Benefit obligation at year end	74,36	42,84

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

Particulars	Gratuity (Funded)	
	2016-17	2015-16
Fair value of Plan assets at beginning of the year	42,84	25,25
Add : Transfers	5,41	2,27
Expected return on plan assets	3,43	2,02
Actuarial gain / (loss)	52	58
Employer contribution	24,29	14,61
Benefits paid	(2,13)	(1,89)
Fair value of Plan assets at year end	74,36	42,84
Actual Return on plan assets	3,95	2,59

Notes on Financial Statements for the year ended 31st March, 2017

III) Reconciliation of fair value of assets and obligations

Particulars	(₹ in lakh)	
	Gratuity (Funded) As at 31st March	
	2017	2016
Fair value of Plan assets	74,36	42,84
Present value of obligation	74,36	42,84
Amount recognised in Balance Sheet	-	-

IV) Expenses recognised during the year

Particulars	(₹ in lakh)	
	Gratuity (Funded)	
	2016-17	2015-16
Current Service Cost	19,98	9,21
Interest Cost	3,43	2,02
Expected return on Plan assets	(3,43)	(2,02)
Actuarial (gain) / loss	4,31	5,40
Net Cost	24,29	14,61

V) Investment Details:

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	₹ in lakh	% invested	₹ in lakh	% invested
	Insurance Policies	74,36	100	42,84

VI) Actuarial assumptions

Mortality Table	Gratuity (Funded)	
	2016-17	2015-16
	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount rate (per annum)	7.46%	8.00%
Expected rate of return on plan assets (per annum)	7.46%	8.00%
Rate of escalation in salary (per annum)	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) The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2016-17

Notes on Financial Statements for the year ended 31st March, 2017

VIII) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Particulars	(₹ in lakh)			
	As at 31st March, 2017		As at 31st March, 2016	
	Decrease	Increase	Decrease	Increase
Change in rate of discounting (delta effect of +/- 0.5%)	(3,75)	3,94	(1,95)	2,12
Change in rate of salary increase (delta effect of +/- 0.5%)	(3,81)	3,98	(1,99)	2,15
Change in rate of employee turnover (delta effect of +/- 0.5%)	(68)	51	(45)	42

These plans typically expose the Group to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk -The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk -A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk -The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk -The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

28 RELATED PARTY DISCLOSURES

(i) As per Ind AS 24, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationships

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 Limited	
5	Reliance Jio Global Resources LLC	
6	Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary
7	Reliance Retail Limited	
8	Reliance Universal Traders Private Limited	
9	Reliance Corporate IT Park Limited	
10	Reliance SMSL Limited	
11	Reliance Payment Solutions Limited	
12	Reliance Strategic Investments Limited	
13	Reliance Jio Media Private Limited	

Notes on Financial Statements for the year ended 31st March, 2017

Sr No	Name of the Related Party	Relationship
14	Reliance Jio Messaging Services Private Limited	Fellow Subsidiary
15	Reliance Jio Digital Services Private Limited	
16	Reliance Progressive Traders Private Limited	
17	Reliance Eminent Trading & Commercial Private Limited	
18	Reliance Prolific Traders Private Limited	
19	Reliance Petro Marketing Limited	
20	Reliance Commercial Dealers Limited	
21	Reliance Jio Infratel Private Limited	
22	Sh. Sanjay Mashruwala	Key Managerial Personnel
23	Sh. Mathew Oommen (from 1st August, 2015 to 18th January, 2016)	
24	Sh. Rajneesh Jain	
25	Sh. Jyoti Jain	
26	Reliance Jio Infocomm Limited Employees Gratuity Fund	Post Employment Benefits Plan

(ii) Transactions during the year with related parties: (₹ in lakh)

Sr. No.	Nature of Transactions	Holding Company	Subsidiary	Fellow Subsidiary	Key Managerial Personnel	Others	Total
(Excluding Reimbursements)							
1	Purchase / Subscription of Investments	-	58,22	-	-	-	58,22
		-	(290,48)	-	-	-	(290,48)
2	Shares issued and allotted	(15000,00)	-	-	-	-	(15000,00)
3	Preference Shares issued and allotted	33660,00	-	-	-	-	33660,00
4	Guarantee Charges	18,15	-	-	-	-	18,15
		(14,21)	-	-	-	-	(14,21)
5	Purchase of Fixed Assets/Project Development Expenditure	566,88	372,85	1933,73	-	-	2873,46
		(469,43)	(118,22)	(171,05)	-	-	(758,70)
6	General Expenses	-	-	17,06	-	-	17,06
		-	-	(1,48)	-	-	(1,48)
7	Repairs and Maintenance	-	-	673,14	-	-	673,14
		-	-	(109,34)	-	-	(109,34)
8	Business Support Services/ Professional Fees	-	13,06	1230,07	-	-	1243,13
		-	-	(400,99)	-	-	(400,99)
9	Commission on Customer Acquisition and Recharges	-	-	300,83	-	-	300,83
		-	-	-	-	-	-
10	Sale of Services/Revenue received in advance	-	-	1053,00	-	-	1053,00
		-	-	-	-	-	-

Notes on Financial Statements for the year ended 31st March, 2017

							(₹ in lakh)
Sr. No.	Nature of Transactions	Holding Company	Subsidiary	Fellow Subsidiary	Key Managerial Personnel	Others	Total
11	Interest paid	25,75 (20,47)	-	-	-	-	25,75 (20,47)
12	Loan taken	4618,00 (4080,00)	-	-	-	-	4618,00 (4080,00)
13	Loan repaid	4618,00 (4080,00)	-	-	-	-	4618,00 (4080,00)
14	Travelling Expenses	-	-	16,13	-	-	16,13
15	Payment to Key Managerial Personnel	-	-	-	7,44 (6,10)	-	7,44 (6,10)
16	Voice Carriage Expenses	-	62	-	-	-	62
17	Income from Voice Carriage Services	-	3,26	-	-	-	3,26
18	Employee benefits expense	-	-	-	-	24,29 (14,61)	24,29 (14,61)
Balances as at 31st March, 2017							
19	Other Payables	23,38 (31,47)	120,28 (43,73)	10510,65 (8381,02)	-	-	10654,31 (8456,22)
20	Other Current Assets	-	1,47	46,41 (2,68)	-	-	47,88 (2,68)
21	Corporate Guarantees taken	19719,22 (15419,16)	-	-	-	-	19719,22 (15419,16)
22	Investments	-	873,06 (814,84)	-	-	-	873,06 (814,84)
23	Equity Share Capital	44747,49 (44747,49)	-	-	-	-	44747,49 (44747,49)
24	Preference Share Capital	33660,00	-	125,00 (125,00)	-	-	33785,00 (125,00)
25	Bank Guarantees taken	3,95 (12,23)	-	-	-	-	3,95 (12,23)

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

Notes on Financial Statements for the year ended 31st March, 2017

Disclosure in Respect of Material Related Party Transactions during the year :				(₹ in lakh)	
Sr. No.	Particulars	Relationship	2016-17	2015-16	
1	Purchase / Subscription of Investment				
	Reliance Jio Infocomm USA, Inc.	Subsidiary	26,57	80,87	
	Reliance Jio Infocomm UK Limited	Subsidiary	31,65	4,63	
	Reliance Jio Infocomm Pte. Ltd.	Subsidiary	-	204,98	
	Sub total		58,22	290,48	
2	Equity Shares issued and allotted				
	Reliance Industries Limited	Holding	-	15000,00	
	Sub total		-	15000,00	
3	Preference Shares issued and allotted				
	Reliance Industries Limited (including premium on preference shares)	Holding	33660,00	-	
	Sub total		33660,00	-	
4	Guarantee Charges				
	Reliance Industries Limited	Holding	18,15	14,21	
	Sub total		18,15	14,21	
5	Purchase of Fixed Assets/Project Development Expenditure				
	Reliance Retail Limited	Fellow Subsidiary	1787,46	73,10	
	Reliance Industries Limited	Holding	566,88	469,43	
	Reliance Corporate IT Park Limited**	Fellow Subsidiary	145,96	97,48	
	Reliance Jio Infocomm Pte. Ltd.	Subsidiary	372,85	118,22	
	Reliance Petro Marketing Limited	Fellow Subsidiary	31	47	
	Sub total		2873,46	758,70	
6	General Expenses				
	Reliance Retail Limited	Fellow Subsidiary	17,06	1,48	
	Sub total		17,06	1,48	
7	Repairs and Maintenance				
	Reliance Jio Infratel Private Limited	Fellow Subsidiary	673,14	109,34	
	Sub total		673,14	109,34	
8	Business Support Service/Professional Fees				
	Reliance SMSL Limited	Fellow Subsidiary	-	118,59	
	Reliance Corporate IT Park Limited**	Fellow Subsidiary	1003,39	212,36	
	Reliance Retail Limited	Fellow Subsidiary	60,70	-	
	Reliance Jio Media Private Limited	Fellow Subsidiary	-	6	
	Reliance Jio Infocomm USA, Inc.	Subsidiary	13,06	-	
	Reliance Jio Infratel Private Limited	Fellow Subsidiary	165,98	69,98	
	Sub total		1243,13	400,99	
9	Commission on Customer Acquisition and Recharges				
	Reliance Retail Limited	Fellow Subsidiary	300,83	-	
	Sub total		300,83	-	

Notes on Financial Statements for the year ended 31st March, 2017

Disclosure in Respect of Material Related Party Transactions during the year :			(₹ in lakh)	
Sr. No.	Particulars	Relationship	2016-17	2015-16
10	Sale of Services/Revenue received in advance			
	Reliance Retail Limited	Fellow Subsidiary	1053,00	-
	Sub total		1053,00	-
11	Interest paid			
	Reliance Industries Limited	Holding	25,75	20,47
	Sub total		25,75	20,47
12	Loan Taken			
	Reliance Industries Limited	Holding	4618,00	4080,00
	Sub total		4618,00	4080,00
13	Loan repaid			
	Reliance Industries Limited	Holding	4618,00	4080,00
	Sub total		4618,00	4080,00
14	Travelling Expenses			
	Reliance Commercial Dealers Limited	Fellow Subsidiary	16,13	-
	Sub total		16,13	-
15	Payment to Key Managerial Personnel			
	Sh. Sanjay Mashruwala	Key Managerial Personnel	5,16	4,09
	Sh. Rajneesh Jain	Key Managerial Personnel	1,85	1,64
	Sh. Jyoti Jain	Key Managerial Personnel	43	37
	Sub total		7,44	6,10
16	Voice Carriage Expenses			
	Reliance Jio Infocomm USA, Inc.	Subsidiary	2	-
	Reliance Jio Infocomm UK Limited	Subsidiary	39	-
	Reliance Jio Infocomm Pte. Ltd.	Subsidiary	21	-
	Sub total		62	-
17	Income from Voice Carriage Services			
	Reliance Jio Infocomm USA, Inc.	Subsidiary	1,66	-
	Reliance Jio Infocomm UK Limited	Subsidiary	24	-
	Reliance Jio Infocomm Pte. Ltd.	Subsidiary	1,36	-
	Sub total		3,26	-
18	Employee Benefits Expense			
	Reliance Jio Infocomm Limited Employees Gratuity Fund	Others	24,29	14,61
	Sub total		24,29	14,61

** excludes reimbursement cost

Notes on Financial Statements for the year ended 31st March, 2017

Balances as at 31st March, 2017

		(₹ in lakh)			
Sr. No	Particulars	Relationship	31st March, 2017	31st March, 2016	1st April, 2015
19	Other Payables				
	Reliance Industries Limited	Holding	23,38	31,47	31,35
	Reliance Corporate IT Park Limited	Fellow Subsidiary	10468,51	8337,74	3409,90
	Reliance Retail Limited	Fellow Subsidiary	-	23	6,02
	Reliance Jio Media Private Limited	Fellow Subsidiary	-	6	-
	Reliance Jio Infocomm USA, Inc.	Subsidiary	5,27	-	-
	Reliance Progressive Traders Private Limited	Fellow Subsidiary	2	2	2
	Reliance Jio Infocomm UK Limited	Subsidiary	39	-	-
	Reliance Eminent Trading & Commercial Private Limited	Fellow Subsidiary	2	2	2
	Reliance Jio Infratel Private Limited	Fellow Subsidiary	41,94	42,92	-
	Reliance Prolific Traders Private Limited	Fellow Subsidiary	3	3	3
	Reliance Jio Infocomm Pte. Ltd.	Subsidiary	114,62	43,73	2,90
	Reliance Petro Marketing Limited	Fellow Subsidiary	13	-	-
	Sub total		10654,31	8456,22	3450,24
20	Other Current Assets				
	Reliance Retail Limited	Fellow Subsidiary	33,35	-	-
	Reliance Payment Solutions Limited	Fellow Subsidiary	11,18	-	62
	Reliance Jio Media Private Limited	Fellow Subsidiary	13	10	-
	Reliance Jio Messaging Services Private Limited	Fellow Subsidiary	-	2,36	-
	Reliance Jio Infocomm Pte. Ltd.	Subsidiary	1,23	-	6
	Reliance Jio Infocomm USA, Inc.	Subsidiary	-	-	-
	Reliance Jio Infocomm UK Limited	Subsidiary	24	-	-
	Reliance Universal Traders Limited	Fellow Subsidiary	67	-	4
	Reliance Jio Digital Services Private Limited	Fellow Subsidiary	1,08	22	-
	Sub total		47,88	2,68	72
21	Corporate Guarantees taken				
	Reliance Industries Limited	Holding	19719,22	15419,16	12769,73
	Sub total		19719,22	15419,16	12769,73
22	Investments				
	Reliance Jio Infocomm USA, Inc.	Subsidiary	228,83	202,25	121,38
	Reliance Jio Infocomm UK Limited	Subsidiary	39,57	7,93	3,30
	Reliance Jio Infocomm Pte. Ltd.	Subsidiary	604,66	604,66	399,68
	Sub total		873,06	814,84	524,36
23	Equity Share Capital				
	Reliance Industries Limited	Holding	44747,49	44747,49	29747,49
	Sub total		44747,49	44747,49	29747,49
24	Preference Share Capital				
	Reliance Industries Limited (including premium on preference shares)	Holding	33660,00	-	-
	Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary	125,00	125,00	125,00
	Sub total		33785,00	125,00	125,00
25	Bank Guarantees taken				
	Reliance Industries Limited	Holding	3,95	12,23	15,71
	Sub total		3,95	12,23	15,71

All related party contracts / arrangements have been entered on arm's length basis .

Notes on Financial Statements for the year ended 31st March, 2017

28.1 Compensation of Key Management Personnel

The remuneration of director and other member of key management personnel during the year was as follows:

Sr. No	Particulars	₹ in lakh)	
		2016-17	2015-16
1	Short-term benefits	7,23	5,92
2	Post employment benefits	21	18
3	Other long term benefits	-	-
4	Share based payments	-	-
5	Termination benefits	-	-
	Total	7,44	6,10

29 CONTINGENT LIABILITIES AND COMMITMENTS

	₹ in lakh)	
	As at 31st March, 2017	As at 31st March, 2016
(I) Contingent Liabilities		
(i) Claims/disputed liabilities against the Company not acknowledged as debts*	175,57	95,86
(ii) Corporate Guarantees	19,30	19,30
(iii) Bank Guarantees	6730,70	5029,84
* The disputed liabilities are not likely to have any material effect on financial position of the Company.		
(II) Commitments		
(i) Estimated amount of contracts remaining to be executed on Capital account not provided for	17490,81	12332,03

30. Capital Management

The Company adheres to a robust Capital Management framework which is underpinned by the following guiding principles:

- Maintain financial strength to ensure AAA ratings.
- Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.
- Proactively manage exposure in foreign exchange and interest to mitigate risk to earnings.
- Leverage optimally in order to maximize shareholder returns while maintaining strength and flexibility of the Balance sheet.

Capital structure is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

Gearing ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	₹ in lakh)		
	2016-17	2015-16	2014-15
Gross Debt	47462,79	32962,70	22304,87
Cash and cash equivalent	26,80	30,68	291,95
Net Debt (A)	47435,99	32932,02	22012,92
Total Equity (As per Balance Sheet) (B)	70864,39	37235,76	22251,47
Net Gearing (A/B) (in percentage)	66.9	88.4	98.9

Notes on Financial Statements for the year ended 31st March, 2017

31. Financial Instruments

Valuation

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of investment in unquoted Mutual Funds is measured at NAV.
- The fair value of Interest Rate Swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of Forward Foreign Exchange contracts and Currency Swaps is determined using forward exchange rates at the Balance sheet date.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Fair value measurement hierarchy:

(₹ in lakh)

Particulars	As at 31st March, 2017			As at 31st March, 2016			As at 1st April, 2015		
	Carrying Amount	Level of Input used in Fair Value Measurement		Carrying Amount	Level of Input used in Fair Value Measurement		Carrying Amount	Level of Input used in Fair Value Measurement	
		Level 1	Level 2		Level 1	Level 2		Level 1	Level 2
Financial Asset									
At Amortised Cost:									
Trade Receivables	2	-	-	1	-	-	3	-	-
Cash and Bank Balances	26,80	-	-	12,16	-	-	23,82	-	-
Other Financial Assets	246,01	-	-	14,64	-	-	7,31	-	-
At FVTPL:									
Investment	-	-	-	18,52	18,52	-	268,13	268,13	-
Financial Liabilities									
At Amortised Cost:									
Borrowings	47462,79	-	-	32962,70	-	-	22304,87	-	-
Other Financial Liabilities	57552,06	-	-	41735,74	-	-	20773,17	-	-
At FVTPL:									
Financial Derivative	1862,87	-	1862,87	941,37	-	941,37	1285,03	-	1285,03

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Notes on Financial Statements for the year ended 31st March, 2017

Foreign Currency Risk

The following table shows foreign currency exposures in USD on financial instruments at the end of the reporting period. The exposure to foreign currency for all other currencies are not material.

(₹ in lakh)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Foreign currency loan	15105,55	10819,68	9693,55
Foreign creditors including advances	11279,42	8295,61	4203,41
Derivatives	-	-	-
Forwards	(22427,59)	(16540,58)	(10995,42)
Currency Swaps	1463,34	1495,05	1410,32
Net Exposure	5420,72	4069,76	4311,86

Sensitivity analysis of 1% change in exchange rate at the end of reporting period

(₹ in lakh)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1% depreciation in INR	(54,21)	(40,70)	(43,12)
Impact on Equity	-	-	-
Impact on P & L	-	-	-
1% appreciation in INR	54,21	40,70	43,12
Impact on Equity	-	-	-
Impact on P & L	-	-	-

The aforesaid would not have an impact in the Statement of Profit and Loss and Equity in view of the project being executed.

Interest Rate Risk

The exposure of the Company's borrowing and derivatives to interest rate changes at the end of the reporting period are as follows:

(₹ in lakh)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Loan			
Long Term Floating Rate Loan	20105,54	14319,68	14693,55
Long Term Fixed Rate Loan	21434,68	16082,23	7611,24
Short Term loan	5922,57	2560,79	8
Total	47462,79	32962,70	22304,87
Derivatives			
Currency rate Swaps	1463,34	1495,05	1410,32
Total	1463,34	1495,05	1410,32

Notes on Financial Statements for the year ended 31st March, 2017

Impact on Interest Expenses for the year on 1% change in Interest rate

(₹ in lakh)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Up Move	Down Move	Up Move	Down Move
Total Impact	(215,69)	215,69	(158,15)	158,15
Impact on Equity				
Impact on P & L	(215,69)	215,69	(158,15)	158,15

The aforesaid would not have an impact in the Statement of Profit and Loss and Equity in view of the project being executed.

Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises from company's activities in investments, dealing in derivatives and outstanding receivables from customers.

The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Sales made to customers on credit and advances to vendors are secured through Letters of Credit, Bank Guarantees, Parent Company Guarantees and advance payments.

Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and maintaining availability of standby funding through an adequate line up of committed credit facilities (₹ 4813,84 lakh as on 31st March 2017; ₹ 9217,63 lakh as on 31st March 2016) and call money receivable on account of Optionally Convertible Preference Shares (₹ 11340,00 lakh as on 31st March 2017; Nil as on 31st March 2016). The Company uses a range of products and a mix of currencies to ensure efficient funding from across well-diversified markets and investor pools. Treasury monitors rolling forecasts of the company's cash flow position and ensures that the company is able to meet its financial obligation at all times including contingencies.

Maturity Profile of Loans and Derivatives Financial Liabilities as on 31st March, 2017

(₹ in lakh)

Particulars	Below 3 Months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	Total
Non Derivative Liabilities							
Long term Borrowings*	330,03	85,00	2689,04	16519,46	12868,82	9245,32	41737,67
Short term Borrowings	5922,57	-	-	-	-	-	5922,57
Total Borrowings	6252,60	85,00	2689,04	16519,46	12868,82	9245,32	47660,24
Trade Payables	-	-	-	-	-	-	-
Derivative Liabilities							
Forwards	256,72	178,58	566,52	422,71	-	-	1424,53
Currency Swap	-	-	-	-	438,34	-	438,34
Total Derivative Liabilities	256,72	178,58	566,52	422,71	438,34	-	1862,87
Total Liabilities	6509,32	263,58	3255,56	16942,17	13307,16	9245,32	49523,11

*Excluding ₹ 197,45 lakh as prepaid finance charges

Notes on Financial Statements for the year ended 31st March, 2017

Maturity Profile of Loans and Derivatives Financial Liabilities as on 31st March, 2016

(₹ in lakh)

Particulars	Below 3 Months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	Total
Non Derivative Liabilities							
Long term Borrowings*	72,36	67,80	195,16	7882,61	13259,67	9140,18	30617,78
Short term Borrowings	2560,79	-	-	-	-	-	2560,79
Total Borrowings	2633,15	67,80	195,16	7882,61	13259,67	9140,18	33178,57
Trade Payables	-	-	-	-	-	-	-
Derivative Liabilities							
Forwards	165,21	37,79	272,66	(4,33)	-	-	471,33
Currency Swap	-	-	-	-	470,04	-	470,04
Total Derivative Liabilities	165,21	37,79	272,66	(4,33)	470,04	-	941,37
Total Liabilities	2798,36	105,59	467,82	7878,28	13729,71	9140,18	34119,94

*Excluding ₹ 215,89 lakh as prepaid finance charges.

32 SEGMENT REPORTING

The Company provides Wireless Telecommunication services. The Company has single segment as per the requirements of of Ind AS 108 for "Operating Segment". The assets and liabilities of the company as on 31st March, 2017 predominantly relate to this segment.

33 PAYMENT TO AUDITORS

(₹ in lakh)

	2016-17	2015-16
(i) Statutory Audit Fees	75	54
(ii) Tax Audit Fees	4	3
(iii) Certification and Consultation Fees	29	18
(iv) Expenses Reimbursed	4	2
Total	1,12	77

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

- The Company has not given any loans.
- Investments made by the Company as at 31st March, 2017 (Refer Note 2)
- Corporate Guarantees given by the Company as at 31st March, 2017

(₹ in lakh)

Sr. No.	Name	Purpose	As at 31st March, 2017	As at 31st March, 2016
1	Smart Digivision Private Limited	Guarantee given for general business purpose	19,30	19,30

Notes on Financial Statements for the year ended 31st March, 2017

35 DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD 08/11/2016 TO 30/12/2016 IS AS UNDER:

	SBNs	Other Denomination Notes	(In ₹) Total
Closing cash in hand as on 08.11. 2016	-	-	-
(+) Permitted Receipts	-	-	-
(-) Permitted Payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12. 2016	-	-	-

The Company did not have any dealings in specified bank notes.

36 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by board of directors on 24th April, 2017

37 FIRST TIME IND AS ADOPTION RECONCILIATIONS

37.1 Effect of Ind AS adoption on the Balance sheet as at March 31, 2016 and April 1, 2015

	As at 31st March, 2016			As at 1st April, 2015		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
ASSETS						
Non - Current Assets						
Property, plant and equipment	936,91	-	936,91	882,11	-	882,11
Capital Work-in-Progress	68806,60	(4119,45)	64687,15	37595,65	(3894,88)	33700,77
Intangible assets	2,82	-	2,82	3,67	-	3,67
Intangible assets under development	49543,27	(8158,46)	41384,81	34702,12	(8107,10)	26595,02
Financial Assets						
Investments	814,84	-	814,84	524,36	-	524,36
Other financial assets	30,85	(27,70)	3,15	17,30	(14,11)	3,19
Deferred tax assets (net)	-	4173,65	4173,65	-	4165,37	4165,37
Other Non-Current Assets	7895,52	-	7895,52	4224,29	-	4224,29
Total Non-Current Assets	128030,81	(8131,96)	119898,85	77949,50	(7850,72)	70098,78
Current Assets						
Financial Assets						
Investments	18,50	2	18,52	268,00	13	268,13
Trade receivables	1	-	1	3	-	3
Cash and cash equivalents	5,62	-	5,62	19,26	-	19,26
Bank balances	6,54	-	6,54	4,56	-	4,56
Other Financial Assets	11,49	-	11,49	4,12	-	4,12
Other Current Assets	7653,66	(11,94)	7641,72	3769,62	(39,28)	3730,34
Total Current Assets	7695,82	(11,92)	7683,90	4065,59	(39,15)	4026,44
Total Assets	135726,63	(8143,88)	127582,75	82015,09	(7889,87)	74125,22

Notes on Financial Statements for the year ended 31st March, 2017

	(₹ in lakh)					
	As at 31st March, 2016			As at 1st April, 2015		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of transition to ind AS	As per Ind AS Balance Sheet
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	45000,00	-	45000,00	30000,00	-	30000,00
Other Equity	50,29	(7814,53)	(7764,24)	74,17	(7822,70)	(7748,53)
Total equity	45050,29	(7814,53)	37235,76	30074,17	(7822,70)	22251,47
Liabilities						
Non - current liabilities						
Financial Liabilities						
Borrowings	30282,48	(215,89)	30066,59	18691,29	-	18691,29
Other financial liabilities	2266,34	(30,76)	2235,58	1545,47	(9,70)	1535,77
Deferred Payment Liabilities	13820,75	-	13820,75	7388,04	-	7388,04
Total Non-Current liabilities	46369,57	(246,65)	46122,92	27624,80	(9,70)	27615,10
Current Liabilities						
Financial Liabilities						
Borrowings	2569,29	(8,50)	2560,79	8	-	8
Other financial liabilities	40851,05	(74,20)	40776,85	24193,40	(57,47)	24135,93
Deferred Payment Liabilities	738,80	-	738,80	-	-	-
Other Current liabilities	107,73	-	107,73	104,43	-	104,43
Provisions	39,90	-	39,90	18,21	-	18,21
Total current liabilities	44306,77	(82,70)	44224,07	24316,12	(57,47)	24258,65
Total liabilities	90676,34	(329,35)	90346,99	51940,92	(67,17)	51873,75
Total Equity and Liabilities	135726,63	(8143,88)	127582,75	82015,09	(7889,87)	74125,22

37.2 Reconciliation of Loss and Other Equity between Ind AS and Previous GAAP

Sr. No.	Nature of adjustments	Notes	(₹ in lakh)		
			Net Loss		Other Equity
			Year ended 31st March, 2016	As at 31st March, 2016	As at 1st April, 2015
	Net Loss / Other Equity as per Previous Indian GAAP		(23,88)	(74,71)	(50,83)
1	Fair valuation of Capital Work-in Progress and Intangible assets under development	I	-	(11988,20)	(11988,20)
2	Fair valuation of Investments	II	(11)	2	13
3	Deferred Tax	III	8,28	4173,65	4165,37
	Total		8,17	(7814,53)	(7822,70)
	Net Loss /Other Equity as per Ind AS		(15,71)	(7889,24)	(7873,53)

Notes on Financial Statements for the year ended 31st March, 2017

Notes

(i) Fair valuation as deemed cost for Capital Work-in-Progress and Intangible assets under development

The Company has considered fair value for Capital Work-in-Progress and Intangible assets under development with an impact of ₹ 11988,20 lakh in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the retained earnings.

(ii) Fair valuation of Investments

The Company has valued investments at fair value. Impact of fair value changes as on the date of transition is recognised in opening retained earnings and changes thereafter are recognised in the Statement of Profit and Loss.

(iii) Deferred Tax

Deferred Tax Asset has been recognised on impact of Ind AS transition adjustments.

37.3 Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2016

(₹ in lakh)

	Year ended 31st March 2016		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
INCOME			
Revenue from Operations	4	-	4
Other Income	3,22	(11)	3,11
Total Income	3,26	(11)	3,15
EXPENSES			
Employee Benefits Expense	4,08	-	4,08
Finance Costs (Interest)	1,43	-	1,43
Depreciation and Amortisation Expense	4,33	-	4,33
Operating and Other expenses	17,30	-	17,30
Total Expenses	27,14	-	27,14
Loss before tax	(23,88)	(11)	(23,99)
Tax Expenses			
Deferred Tax	-	8,28	8,28
Loss for the year	(23,88)	8,17	(15,71)

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For **Atul Kulshrestha & Co**
Chartered Accountants

R.Koria
Partner

Abhijit A. Damle
Partner

R.Varadharajan
Partner

Rajneesh Jain
Chief Financial Officer

Jyoti Jain
Company Secretary

Mumbai
Date: 24th April, 2017

For and on behalf of the Board

Mukesh D. Ambani
Sanjay Mashruwala

Chairman
Managing Director

Manoj H. Modi
Akash M. Ambani
Isha M. Ambani
Mahendra Nahata
Mathew Oommen
Pankaj M. Pawar
Kiran M. Thomas
Adil Zainulbhai
Prof. Dipak C. Jain
Prof. Mohanbir S. Sawhney
Ranjit V. Pandit
Shumeet Banerji

Directors