ADITYA BIRLA TELECOM LIMITED

ANNUAL ACCOUNTS 2016-17

Independent Auditors' Report

To the Members of
Aditya Birla Telecom Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **ADITYA BIRLA TELECOM LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows 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 Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 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 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 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 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 Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit, total comprehensive income, 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, based on our audit 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
    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
    d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
    e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Note 20 to the Ind AS financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

   iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") 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 Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W / W-100018

Hemant M. Joshi
Partner
Membership No: 38019

Place: Mumbai
Date: May 9, 2017

"Annexure A" to the Independent Auditors' 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 ADITYA BIRLA TELECOM LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Hemant M. Joshi
Partner
Membership No: 38019

Place: Mumbai
Date: May 9, 2017

"Annexure B" to the Independent Auditor's Report

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

(i) The Company does not have any fixed assets and hence reporting under clause of the Order is not applicable.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of grant of loans. The company has not made investments or provided guarantee.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

a) The Company has been regular in depositing undisputed statutory dues, including Income-tax, Value Added Tax/Sales Tax and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the Company did not have any dues on account of Excise Duty, Provident Fund, Service Tax, Customs Duty, Employees' State Insurance and Cess.

b) There were no undisputed amounts payable in respect of Income-tax, Value Added Tax/Sales Tax and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

c) There are no dues of Value Added Tax/Sales Tax as on March 31, 2017 which have not been deposited on account of any dispute. Details of dues of Income-tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in Thousands)	Amount Unpaid (₹ in Thousands)
Income Tax Act, 1961	Income-tax	Appellate Tribunal (Income Tax)	2006-07	10,540	-
Income Tax Act, 1961	Income-tax	Deputy Commissioner of Income Tax	2009-10	43,805	43,805

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and 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 neither paid nor provided managerial remuneration, hence requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 is not applicable.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. 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 the Order 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, directors of its Parent or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Hemant M. Joshi
Partner
Membership No: 38019

Place: Mumbai
Date: May 9, 2017

Balance Sheet as at March 31, 2017

₹ '000

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
Financial assets				
Non-current investments	7	**72,225,233**	83,837,546	73,690,641
Other non-current assets	8	**15,651**	605,051	2,355,564
Total non-current assets (A)		**72,240,884**	84,442,597	76,046,205
Current assets				
Inventories		**254**	544	370
Financial assets				
Current investments	9	**7,671,722**	4,551,415	2,858,472
Cash and cash equivalents	10	**390**	465	571
Short term loans (refer note 27)		**-**	750,000	1,966,500
Other current financial assets	11	**-**	2,768	135,769
Current Tax Assets (Net)		**254**	254	-
Other current assets	12	**7,146**	1,750,260	1
Total current assets (B)		**7,679,766**	7,055,706	4,961,683
Total Assets (A+B)		**79,920,650**	91,498,303	81,007,888
EQUITY AND LIABILITIES				
Equity				
Equity share capital	13	**100,000**	100,000	100,000
Other equity	14	**63,430,479**	43,677,654	38,656,836
Total equity (A)		**63,530,479**	43,777,654	38,756,836
Liabilities				
Non-current liabilities				
Deferred tax liabilities (net)	25	**16,388,600**	18,923,816	16,630,653
Total non-current liabilities (B)		**16,388,600**	18,923,816	16,630,653
Current liabilities				
Financial liabilities				
Trade payables		**1,367**	890	105
Compulsory convertible preference shares (CCPS) (refer note 19)		**-**	28,792,956	25,619,176
Other current liabilities	15	**204**	821	577
Short term provisions	16	**-**	2,166	541
Total current liabilities (C)		**1,571**	28,796,833	25,620,399
Total Equity and Liabilities (A+B+C)		**79,920,650**	91,498,303	81,007,888

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner
Membership No.: 38019

Place : Mumbai
Date : May 9, 2017

For and on behalf of the Board

Akshaya Moondra
Director

Himanshu Kapania
Director

Anil Arya
Chief Financial Officer

Mansi Gandhi
Company Secretary

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

₹ '000

Particulars	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
INCOME			
Sales of trading goods		**3,276**	3,449
Revenue from operations		**3,276**	3,449
Other income	**17**	**4,959,749**	443,293
TOTAL INCOME		**4,963,025**	446,742
OPERATING EXPENDITURE			
Cost of trading goods		**2,891**	3,021
Administration and other expenses	**18**	**7,505**	2,764
		10,396	5,785
PROFIT BEFORE FINANCE CHARGES AND TAXES		**4,952,629**	440,957
Fair Value (gain) / loss on Financial Instruments at FVTPL		**290,146**	3,173,780
Interest expense		**445**	731
PROFIT/(LOSS) BEFORE TAX		**4,662,038**	(2,733,554)
Tax expense:			
- Current tax		**426,998**	99,370
- Deferred tax		**(44,387)**	(47,931)
PROFIT / (LOSS) AFTER TAX		**4,279,427**	(2,784,993)
OTHER COMPREHENSIVE INCOME (OCI)			
Items not to be reclassified to profit or loss in subsequent periods:			
Equity Instrument through other comprehensive income		**13,800,759**	10,146,905
Income tax effect		**(3,184,111)**	(2,341,094)
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**10,616,648**	7,805,811
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**14,896,075**	5,020,818
Earnings per share of ₹ 10 each fully paid (in ₹)	**26**		
Basic		**372.46**	(278.50)
Diluted		**334.56**	(278.50)
The accompanying notes are an integral part of the Financial Statements			

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner
Membership No.: 38019

Place : Mumbai
Date : May 9, 2017

For and on behalf of the Board

Akshaya Moondra
Director

Himanshu Kapania
Director

Anil Arya
Chief Financial Officer

Mansi Gandhi
Company Secretary

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

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 10 each issued, subscribed and fully paid

	Numbers	₹ '000
As at April 1, 2015	**10,000,000**	**100,000**
Issue of shares	-	-
As at March 31, 2016	**10,000,000**	**100,000**
Equity shares issued to P5 Asia Holdings Investments (Mauritius) Limited (P5) on conversion of CCPS (refer note 19)	4,349,776	43,498
Extinguishment of equity shares held by P5 as per the High court approved scheme (refer note 19)	(4,349,776)	(43,498)
As at March 31, 2017	**10,000,000**	**100,000**

B. OTHER EQUITY

₹ '000

Particulars	Reserves and surplus			Items of other comprehensive income	
	Securities premium	Business restructuring reserve	Retained earnings	Equity instrument through other comprehensive income	Total
As at April 1, 2015	**-**	**50,778,102**	**(12,415,966)**	**294,700**	**38,656,836**
Profit/(Loss) for the year	-	-	(2,784,993)	-	**(2,784,993)**
Other comprehensive income for the year, net of income tax	-	-	-	7,805,811	**7,805,811**
As at March 31, 2016	**-**	**50,778,102**	**(15,200,959)**	**8,100,511**	**43,677,654**
Profit for the year	-	-	4,279,427	-	**4,279,427**
Other comprehensive income for the year, net of income tax	-	-	-	10,616,648	**10,616,648**
Conversion of CCPS to Equity Shares (refer note 19)	29,039,604	-	-	-	**29,039,604**
Reduction of Deferred tax liability on Indus shares transferred to P5 as per the High court approved scheme (refer note 19)	-	-	5,736,720	-	**5,736,720**
Distribution on extinguishment of equity shares held by P5 as per the High court approved scheme (refer note 19)	-	(25,369,574)	(4,550,000)	-	**(29,919,574)**
As at March 31, 2017	**29,039,604**	**25,408,528**	**(9,734,812)**	**18,717,159**	**63,430,479**

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner
Membership No.: 38019

Place : Mumbai
Date : May 9, 2017

For and on behalf of the Board

Akshaya Moondra
Director

Himanshu Kapania
Director

Anil Arya
Chief Financial Officer

Mansi Gandhi
Company Secretary

Notes forming part of the Financial Statements

1. Corporate Information

Aditya Birla Telecom Limited, ('the Company') a 100% subsidiary of Idea Cellular Limited was incorporated on December 20, 2005 and is in the business of Trading of Data Cards. The company also holds 11.15 % equity interest in Indus Towers Limited.

The financial statements for the year ended March 31, 2017 were approved by the Board of Directors and authorised for issue on May 9, 2017.

2. Basis of preparation and Statement of Compliance

The financial statements of the Company comprising of Balance Sheet, Statement of Profit and Loss, Statement of changes in Equity and Statement of Cash Flows, together with the notes have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013 (Previous GAAP).

The financial statements for the financial year ended March 31, 2017 are the company's first Ind AS compliant annual financial statements with comparative figures for the year ended March 31, 2016 are also under Ind AS. The date of transition is April 1, 2015. Please refer to **note 5** for detailed disclosure on the first time adoption of Ind AS.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services on the transaction date.

All assets and liabilities have been classified as current or non-current in accordance with the operating cycle criteria set out in Ind AS 1 and Schedule III to the Companies Act, 2013.

Deferred tax assets (including MAT credit entitlement) and liabilities are classified as non-current assets and liabilities.

3. Significant Accounting Policies

a) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and can be reliably measured, regardless of the timing of receipt of payment. Revenue is measured at fair value of the consideration received or receivable and is reduced for rebates and other similar allowances. Taxes and duties are collected by the seller / service provider to be deposited with the government and not received by the company on its own account. Accordingly, it is excluded from revenue. The Company evaluates its exposure to significant risks and reward associated with the revenue arrangements in order to determine its position of a principal or an agent in this regard.

i. Sale of Trading goods

Revenue on account of sale of Data Cards is recognized net of rebates, discount, Sales Tax/ VAT etc. on supply of goods.

ii. Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is recorded using the applicable Effective Interest Rate (EIR), which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to that asset's net carrying amount on initial recognition.

iii. Dividends

Dividend Income is recognised when the company's right to receive the payment is established.

b) Exceptional items

Items of income or expense from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the company are disclosed as exceptional items in the statement of profit & loss.

c) Taxes

Income tax expense represents the sum of the current tax and deferred tax.

i. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax is based on the taxable income and calculated using the applicable tax rates and tax laws. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss in correlation to the underlying transaction either in OCI or directly in equity.

ii. 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 assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Notes forming part of the Financial Statements

Deferred tax liabilities are recognised for taxable temporary differences associated with interests in joint ventures except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at the end of each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

d) Current / Non – Current Classification

An asset is classified as current when

a) It is expected to be realised or consumed in the company's normal operating cycle;

b) It is held primarily for the purpose of trading;

c) It is expected to be realised within twelve months after the reporting period; or

d) If it is cash or cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Any asset not conforming to the above is classified as non-current.

A liability is classified as current when

a) It is expected to be settled in the normal operating cycle of the company;

b) It is held primarily for the purposes of trading;

c) It is expected to be settled within twelve months after the reporting period; or

d) The company has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Any liability not conforming to the above is classified as non-current.

e) Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

f) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

g) Financial Instruments

Initial recognition and measurement

Financial Instruments (assets and liabilities) are recognised when the company becomes a party to a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in statement of profit and loss.

i. Financial assets

All regular way purchase or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets:

a) Financial assets measured at amortised cost.

Notes forming part of the Financial Statements

b) Financial assets measured at fair value through profit or loss (FVTPL).

c) Financial assets measured at fair value through other comprehensive income (FVTOCI) – The Company's investment in equity instruments of Joint venture is measured at FVTOCI.

I. Financial assets measured at amortised cost

A financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables, loans, etc.

II. Financial assets measured at FVTPL

FVTPL is a residual category for financial assets in the nature of debt instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

III. Financial assets (equity instruments of joint venture) measured at FVTOCI

On initial recognition, the instrument is measured at cost which is also the fair value of such instruments on the transaction date. Such instruments are fair valued at each reporting date. Any subsequent changes in the fair values are recognized in OCI except dividends received on such instruments.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:
  - the Company has transferred substantially all the risks and rewards of the asset, or
  - the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

ii. Financial liabilities

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the EIR method or at FVTPL.

Financial liabilities at amortised cost

After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at FVTPL

Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

iii. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right

Notes forming part of the Financial Statements

to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

h) Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) (a) on the date of the event or change in circumstances that caused the transfer or (b) at the end of each reporting period or (c) at the beginning of each reporting period.

i) Earnings per share

The earnings considered in ascertaining the Company's Earnings Per Share (EPS) is the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

j) Provisions and Contingent Liabilities

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. The expense relating to a provision is presented in the statement of profit and loss. 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.

A Contingent Liability is disclosed where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent Assets are not recognised. Information on contingent liabilities is disclosed in the notes to Financial Statements unless the possibility of an outflow of resources embodying economic benefits is remote.

4. Use of Estimates, assumptions and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialise.

The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Taxes

The Company provides for tax considering the applicable tax regulations and based on reasonable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized. MAT is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and loss and is included in Deferred Tax Assets. The Company reviews the same at each balance sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will be able to absorb such credit during the specified period.

Notes forming part of the Financial Statements

ii) Provisions and Contingent Liabilities

Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

5. First Time Adoption of Ind AS

The company had prepared its financial statements in accordance with the Accounting Standards (AS) notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (previous GAAP) for and including the year ended March 31, 2016. The Company has prepared its first Ind AS (Indian Accounting Standards) compliant Financial Statements for the year ended March 31, 2017 with restated comparative figures for the year ended March 31, 2016 in compliance with Ind AS. Accordingly, the Opening Balance Sheet, in line with Ind AS transitional provisions, has been prepared as at April 1, 2015, the date of company's transition to Ind AS. The principal adjustments made by the Company in restating its Previous GAAP financial statements as at and for the financial year ended March 31, 2016 and the balance sheet as at April 1, 2015 are as mentioned below:

A. Exceptions applied

Ind AS 101 specifies mandatory exceptions from retrospective application of some aspects of other IND AS's for first-time adopters. Following exception is applicable to the Company:

Use of Estimates

The estimates at April 1, 2015 and March 31, 2016 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015, the date of transition to Ind AS and as of March 31, 2016.

B. Effect of Ind AS Adoption on the Balance Sheet as at March 31, 2016 and April 1, 2015 ₹ '000

Particulars	Exp. Note No.	As at March 31, 2016			As at April 1, 2015		
		Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS
ASSETS							
Non-current assets							
Financial assets							
Non-current investments	(i)	83,837,546	73,307,556	10,529,990	73,690,641	73,307,556	383,085
Other non-current assets	(v)	605,051	623,305	(18,254)	2,355,564	2,355,564	-
Total non-current assets (A)		**84,442,597**	**73,930,861**	**10,511,736**	**76,046,205**	**75,663,120**	**383,085**
Current assets							
Inventories		544	544	-	370	370	-
Financial assets							
Current investments	(iii)	4,551,415	4,550,445	970	2,858,472	2,832,886	25,586
Cash and cash equivalents		465	465	-	571	571	-
Short term loans		750,000	750,000	-	1,966,500	1,966,500	-
Other current financial assets		2,768	2,768	-	135,769	135,769	-
Current Tax Assets (Net)		254	254	-	-	-	-
Other current assets		1,750,260	1,750,260	-	1	1	-
Total current assets (B)		**7,055,706**	**7,054,736**	**970**	**4,961,683**	**4,936,097**	**25,586**
Total Assets (A+B)		**91,498,303**	**80,985,597**	**10,512,706**	**81,007,888**	**80,599,217**	**408,671**

Notes forming part of the Financial Statements

₹ '000

Particulars	Exp. Note No.	As at March 31, 2016 Ind AS	As at March 31, 2016 Previous GAAP	As at March 31, 2016 Effect of transition to Ind AS	As at April 1, 2015 Ind AS	As at April 1, 2015 Previous GAAP	As at April 1, 2015 Effect of transition to Ind AS
EQUITY AND LIABILITIES							
Equity							
Equity share capital		100,000	100,000	-	100,000	100,000	-
Other equity		43,677,654	80,881,720	(37,204,066)	38,656,836	80,497,994	(41,841,158)
Total equity (A)		**43,777,654**	**80,981,720**	**(37,204,066)**	**38,756,836**	**80,597,994**	**(41,841,158)**
Non-current liabilities:							
Deferred tax liabilities (net)	(iv),(v)	18,923,816	-	18,923,816	16,630,653	-	16,630,653
Total non-current liabilities (B)		**18,923,816**	**-**	**18,923,816**	**16,630,653**	**-**	**16,630,653**
Current liabilities:							
Financial liabilities							
Trade payable		890	890	-	105	105	-
CCPS	(ii)	28,792,956	-	28,792,956	25,619,176	-	25,619,176
Other current liabilities		821	821	-	577	577	-
Short term provisions		2,166	2,166	-	541	541	-
Total current liabilities (C)		**28,796,833**	**3,877**	**28,792,956**	**25,620,399**	**1,223**	**25,619,176**
Total Equity and Liabilities (A+B+C)		**91,498,303**	**80,985,597**	**10,512,706**	**81,007,888**	**80,599,217**	**408,671**

C. Reconciliation of total equity as at March 31, 2016 and April 1, 2015 ₹ '000

Particulars	Exp. Note No.	As at March 31, 2016	As at April 1, 2015
Total Equity (shareholders' funds) under Previous GAAP		**80,981,720**	**80,597,994**
Effect of measuring Investment in Joint Venture through Other Comprehensive Income	(i)	10,529,990	383,085
Effect of measuring CCPS at fair value through statement of Profit and Loss	(ii)	(28,792,956)	(25,619,176)
Effect of measuring current investments at fair value through statement of Profit and Loss	(iii)	970	25,586
Deferred Tax impact	(iv)	(18,942,070)	(16,630,653)
Total Equity under Ind AS		**43,777,654**	**38,756,836**

Notes forming part of the Financial Statements

D. Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31,2016 ₹ '000

Particulars	Exp. Note No.	Ind AS	Previous GAAP	Difference
INCOME				
Sales of Trading Goods		3,449	3,449	-
Revenue from operations		**3,449**	**3,449**	**-**
Other income	(iii)	443,293	467,909	(24,616)
Total income		**446,742**	**471,358**	**(24,616)**
OPERATING EXPENDITURE				
Cost of Trading Goods		3,021	3,021	-
Administration and other expenses		2,764	2,764	-
		5,785	**5,785**	**-**
PROFIT BEFORE FINANCE CHARGES AND TAXES		**440,957**	**465,573**	**(24,616)**
Fair Value (gain) / loss on Financial Instruments at FVTPL	(ii)	3,173,780	-	3,173,780
Finance costs		731	731	-
PROFIT/(LOSS) BEFORE TAX		**(2,733,554)**	**464,842**	**(3,198,396)**
Tax expense:				
- Current tax		99,370	99,370	-
- Deferred tax	(iv),(v)	(47,931)	-	(47,931)
- MAT credit entitlement / utilised	(v)	-	(18,254)	18,254
PROFIT/(LOSS) AFTER TAX		**(2,784,993)**	**383,726**	**(3,168,719)**
OTHER COMPREHENSIVE INCOME				
Items not to be reclassified to profit or loss in subsequent periods:				
Equity Instrument through other comprehensive income	(i)	10,146,905	-	10,146,905
Income tax effect	(iv)	(2,341,094)	-	(2,341,094)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**7,805,811**	**-**	**7,805,811**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**5,020,818**	**383,726**	**4,637,092**

E. Reconciliation of total comprehensive income for the year ended March 31, 2016

₹ '000

Particulars	Exp. Note No.	For the year ended March 31, 2016
Total Comprehensive Income under Previous GAAP		**383,726**
Effects of measuring CCPS at fair value through statement of Profit and loss	(ii)	(3,173,780)
Effects of measuring current investments at fair value through statement of Profit and loss	(iii)	(24,616)
Deferred Tax impact on above changes	(iv)	47,931
Effect of recognising MAT credit as deferred tax	(v)	(18,254)
Profit/(Loss) after tax for the year ended March 31, 2016 - Ind AS		**(2,784,993)**
Effect of measuring Investment in Joint Venture through Other Comprehensive Income	(i)	7,805,811
Total Comprehensive Income for the year ended March 31, 2016 - Ind AS		**5,020,818**

Notes forming part of the Financial Statements

F. Effect of IndAS adoption on the Statement of Cash Flows for the year ended March 31, 2016 ₹ '000

Particulars	Ind AS	Previous GAAP	Difference
Net cash flows from Operating activities	(99,957)	(99,957)	-
Net cash flows from Investing activities	99,851	1,817,410	(1,717,559)
Net increase (decrease) in cash and cash equivalents	**(106)**	**1,717,453**	**(1,717,559)**
Cash and cash equivalents at the beginning of period	571	2,833,457	(2,832,886)
Cash and cash equivalents at the end of period	**465**	**4,550,910**	**(4,550,445)**

G. Reconciliation of cash and cash equivalents for the purpose of cash flow

₹ '000

Particulars	As at March 31, 2016	As at April 1, 2015
Cash and cash equivalents – Previous GAAP	**4,550,910**	**2,833,457**
Less : Investments in Units of Liquid Mutual Funds	4,550,445	2,832,886
Cash and cash equivalents – Ind AS	**465**	**571**

Explanatory Notes to the reconciliation

i) Equity Instrument through other comprehensive income

Under Previous GAAP, investment in Joint Venture was fair valued as a part of Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956 in the financial year ended March 31, 2010.Under Ind AS, the Company has designated this investment at fair value through other comprehensive income as per Ind AS 109. Accordingly, the investment was fair valued through OCI at the transition date. This has resulted to an increase in other equity on the transition date by ₹ 383,085 thousands.As Ind AS 109 requires fair valuation of equity instruments designated as FVTOCI at the end of each reporting period, the total comprehensive income and equity for the year ended March 31, 2016 has increased by ₹ 10,146,905 thousands and ₹ 10,529,990 thousands respectively.

ii) CCPS

In previous GAAP, preference shares were recorded as Share Capital. Under Ind AS, such financial instruments needed to be assessed as to whether the same is a liability or equity in accordance with the provisions of Ind AS 109. Accordingly, CCPS issued by the company, has been classified as a liability to be recognised at FVTPL on the transition date. This has resulted to a decrease in equity on the transition date by ₹ 25,619,176 thousands and as on March 31, 2016 by ₹ 28,792,956 thousands. The profit before tax for the year ended March 31, 2016 has decreased by ₹ 3,173,780 thousands.

iii) Investments in Mutual Funds

Under Previous GAAP, the Company accounted for investments in mutual funds as financial instruments measured at lower of cost or fair value. Under Ind AS, the Company has designated such investments at fair value through profit and loss which are to be measured at fair value at each reporting date. The difference between the fair value of these instruments and Previous GAAP carrying amount has been adjusted in equity as on the transition date. This has resulted to an increase in equity on the transition date by ₹ 25,586 thousands and as on March 31, 2016 by ₹ 970 thousands.The profit before tax for the year ended March 31, 2016 has decreased by ₹ 24,616 thousands.

iv) Deferred tax

Under Previous GAAP, deferred tax is accounted using the income statement approach as per timing differences between taxable profits and accounting profits for the period. Ind AS 12 requires accounting for deferred taxes using the balance sheet approach as per temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of balance sheet approach as per Ind AS 12 has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP. On the date of transition, the net impact on deferred tax liability on new temporarydifferences is debited to Equity. This has resulted to a decrease in equity on the transition date by ₹ 16,621,798 thousands and on March 31, 2016 by ₹18,941,734 thousands.The deferred tax charge in Statement of profit and loss for the year ended March 31, 2016 is lower by ₹ 21,158 thousands and in OCI is higher by ₹ 2,341,094 thousands.

In addition, the various transitional adjustments led to temporary differences as on the transition date. The net impact on deferred tax liabilities on the transitional adjustments is debited to Equity. This has resulted to a decrease in equity on the transition date by ₹ 8,855 thousands and on March 31, 2016 by ₹ 336 thousands.

Notes forming part of the Financial Statements

v) MAT Credit

Under Previous GAAP, MAT credit was disclosed under non- current assets. In accordance with Ind AS 12, deferred tax assets include any carry forward unused tax credits. Hence, MAT credit entitlement has been included in deferred tax asset.The MAT credit entitlement of ₹18,254 thousand for the year ended March 31, 2016 has been presented with deferred tax.

6. Standards issued or modified but not yet effective up to the date of issuance of the Company's financial statements

The amendments to standards that are issued, but not yet effective up to the date of issuance of company's financial statements are discussed below. The company intends to adopt these standards, if applicable, when they became effective.

Amendments to Ind AS 7 Statement of Cash Flows

(effective from accounting period starting on or after April 1, 2017)

i. An entity shall provide certain additional disclosures for changes in liabilities arising from financing activities on account of non-cash transactions to enable users of financial statements evaluate changes in liabilities arising from financing activities.

ii. To the extent necessary to satisfy the requirement, an entity shall disclose the following changes in liabilities arising from financing activities:

- Changes from financing cash flows;
- Changes arising from obtaining or losing control of subsidiaries or other businesses;
- The effect of changes in foreign exchange rates;
- Changes in fair values; and
- Other changes

7 NON-CURRENT INVESTMENTS

₹ '000

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investments in Equity Instruments of Joint Venture (Unquoted)			
Indus Towers Limited	**72,225,233**	83,837,546	73,690,641
132,868 (March 31, 2016 : 190,662, April 1, 2015 : 190,662) fully paid equity shares of ₹ 1 each (refer note 19 & 29)			
Total	**72,225,233**	83,837,546	73,690,641

8 OTHER NON-CURRENT ASSETS

₹ '000

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Amounts paid under protest	**-**	605,051	2,355,153
Advance income tax (net of provision for tax ₹ 426,998 thousands)	**15,651**	-	411
Total	**15,651**	605,051	2,355,564

9 CURRENT INVESTMENTS

₹ '000

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investment in units of liquid mutual funds (Quoted)			
29,358,800 (March 31 2016: 4,125,773; April 1, 2015: 7,943,899) units of Birla Sun Life Cash Plus- Direct – Growth – Direct	**7,671,722**	1,003,859	1,784,173
Nil (March 31, 2016: 12,074,009 April 1, 2015: 3,984,473) units of Birla Sun Life Savings Fund - Direct – Growth – Direct	**-**	3,547,556	1,074,299
Total	**7,671,722**	4,551,415	2,858,472

Notes forming part of the Financial Statements

10 CASH AND CASH EQUIVALENTS

₹ '000

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Cheques on hand	-	-	349
Balances with banks in current accounts	390	465	222
Total	**390**	465	571

11 OTHER CURRENT FINANCIAL ASSETS

₹ '000

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Interest receivable (refer note 27)	-	2,768	135,769
Total	-	2,768	135,769

12 OTHER CURRENT ASSETS

₹ '000

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Prepaid expenses	3	1	1
Amounts paid under protest	7,143	1,750,259	-
Total	**7,146**	1,750,260	1

13 EQUITY SHARE CAPITAL

a) Authorized, issued, subscribed and paid-up equity share capital

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Numbers	₹ '000	Numbers	₹ '000	Numbers	₹ '000
Authorised equity share capital						
Equity shares of ₹10 each	**75,000,000**	**750,000**	75,000,000	750,000	75,000,000	750,000
Compulsorily convertible preference shares of ₹10 each	**2,500,000**	**25,000**	2,500,000	25,000	2,500,000	25,000
	77,500,000	**775,000**	77,500,000	775,000	77,500,000	775,000
Issued, subscribed and paid-up equity share capital						
Equity Shares of ₹10 each fully paid up	**10,000,000**	**100,000**	10,000,000	100,000	10,000,000	100,000
Total	**10,000,000**	**100,000**	10,000,000	100,000	10,000,000	100,000

(i) The entire paid up equity share capital is held by the holding Company - Idea Cellular Limited and its nominee shareholders.

b) Reconciliation of number of equity shares outstanding

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Numbers	₹ '000	Numbers	₹ '000	Numbers	₹ '000
Equity shares outstanding at the beginning of the year	**10,000,000**	**100,000**	10,000,000	100,000	10,000,000	100,000
Equity shares issued to P5 on conversion of CCPS (refer note 19)	**4,349,776**	**43,498**	-	-	-	-
Extinguishment of equity shares held by P5 as per the High court approved scheme (refer note 19)	**(4,349,776)**	**(43,498)**	-	-	-	-
Equity shares outstanding at end of the year	**10,000,000**	**100,000**	10,000,000	100,000	10,000,000	100,000

Notes forming part of the Financial Statements

c) **Terms/rights attached to equity shares**

The Company has only one class of equity shares having 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

14 Other Equity

₹ '000

Particulars	As at March 31, 2017	As at March 31, 2016
a) Securities premium		
Balance at the beginning of the year	**-**	-
Conversion of CCPS to Equity Shares (refer note 19)	**29,039,604**	-
Balance at the end of the year	**29,039,604**	-
b) Business restructuring reserve		
Balance at the beginning of the year	**50,778,102**	50,778,102
Equity shares held by P5 extinguished as per the High court approved scheme (refer note 19)	**(25,369,574)**	-
Balance at the end of the year	**25,408,528**	50,778,102
c) Retained earnings		
Balance at the beginning of the year	**(15,200,959)**	(12,415,966)
Profit / (Loss) during the year	**4,279,427**	(2,784,993)
Reduction of deferred tax liability on Indus shares transferred to P5 as per the High court approved scheme (refer note 19)	**5,736,720**	-
Amount paid on extinguishment of equity shares held by P5 as per the High court approved scheme (refer note 19)	**(4,550,000)**	-
Balance at the end of the year	**(9,734,812)**	(15,200,959)
d) Reserve for equity Instrument through other comprehensive income		
Balance at the beginning of the year	**8,100,511**	294,700
Net fair value gain on investments in equity instruments at FVTOCI	**13,800,759**	10,146,905
Income tax on Net fair value gain on investments in equity instruments at FVTOCI	**(3,184,111)**	(2,341,094)
Balance at the end of the year	**18,717,159**	8,100,511
Total	**63,430,479**	43,677,654

15 OTHER CURRENT LIABILITIES

₹ '000

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance from Customers	**-**	111	111
Taxes and Other Liabilities	**204**	710	466
Total	**204**	821	577

Notes forming part of the Financial Statements

16 SHORT TERM PROVISIONS

₹ '000

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for current tax net of advance tax ₹ Nil (March 31, 2016 ₹ 97,204 Thousands; April 1, 2015 ₹ 37,774 Thousands)	-	2,166	541
Total	-	2,166	541

17 OTHER INCOME

₹ '000

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest income	**844,168**	149,546
Gain on mutual funds (including fair value gain/(loss))	**493,003**	293,747
Dividend income (refer note 27)	**3,622,578**	-
Total	**4,959,749**	443,293

18 ADMINISTRATION AND OTHER EXPENSES

₹ '000

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Other insurance	**1**	1
Rates and taxes	**31**	38
Travelling and conveyance	**-**	66
Bank charges	**11**	1
Directors sitting Fees (refer note 27)	**207**	142
Legal and professional charges	**6,923**	1,766
Audit fees (refer note 22)	**150**	150
CSR expenditure (refer note 23)	**182**	600
Total	**7,505**	2,764

19. Compulsorily convertible preference shares (CCPS) issued by ABTL to P5 Asia Holdings Investments (Mauritius) Limited (P5) was classified as a Financial Liability on the date of transition and was accounted at FVTPL. During the year, the CCPS were converted to equity shares. Subsequently, the Hon'ble High Court of Bombay approved the scheme petition to extinguish the equity shares held by P5 by distributing (a) 57,794 equity shares of ₹1 each held by ABTL in Indus Towers Limited (4.85% stake); and (b) an amount of ₹ 4,550,000 thousands. The capital reduction pursuant to the above mentioned approval became effective on February 1, 2017 upon the distribution of the above assets to P5. Accordingly, investment value of ₹ 25,413,072 thousands has been derecognized. In accordance with the scheme, the difference between the value of investment derecognized and face value of equity shares extinguished has been debited to Business restructuring reserve and the amount of ₹ 4,550,000 thousands has been debited to Retained Earnings. The corresponding deferred tax liability on the investment has also been reversed and credited directly to the retained earnings.

20. Contingent liabilities:

a) Appeals filed for Income Tax matters not acknowledged as debt ₹ 54,345 thousands (March 31, 2016 : ₹ 24,333,600 thousands, April 1, 2015: ₹ 33,473,723 thousands)

b) The Company has an obligation to buy the equity shares of Indus held by P5 at fair value if:

- The Company sells its stake in Indus before P5 and P5 is not able to find a buyer for their stake in Indus, or
- Aditya Birla Group companies collectively cease to be the single largest shareholder of the Holding Company before P5 is able to sell its stake in Indus.

Notes forming part of the Financial Statements

21. As of March 31, 2017 and March 31, 2016 no amounts are payable to Micro, Small, and Medium Enterprises (SMEs) within the meaning of the Micro, Small and Medium Enterprises Development Act, 2006.

22. AUDITOR'S REMUNERATION:

₹ '000

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Statutory Audit Fees	150	150
Certification (included in Legal and Professional Charges)	40	40

23. Expenditure for Corporate social responsibility:

a) Gross amount required to be spent by the company during the year is ₹ 4,443 thousands (Previous year ₹ 1,421 thousands)

b) Amount spent during the year ending on March 31, 2017: ₹ '000

Sr. No	Particulars	Amount Paid	Amount Payable	Total
1	Healthcare	182	-	**182**

c) Amount spent during the year ending on March 31, 2016: ₹ '000

Sr. No	Particulars	Amount Paid	Amount Payable	Total
1	Healthcare	-	600	**600**

24. TAX RECONCILIATION:

(a) Income tax expense: ₹ '000

Particulars	As at March 31, 2017	As at March 31, 2016
Current tax		
Current tax on profits for the year	**426,998**	99,370
Total Current tax expense (A)	**426,998**	99,370
Deferred tax		
Relating to addition & reversal of temporary differences	**(41,911)**	(47,931)
Relating to change in tax rate	**(2,476)**	-
Total deferred tax expense (B)	**(44,387)**	(47,931)
Income tax expense (A+B)	**382,611**	51,439
Income tax impact of equity instrument fair valued through other comprehensive income	**(3,184,111)**	(2,341,094)

(b) Reconciliation of average effective tax rate and applicabletax rate :

Particulars	As at March 31, 2017	As at March 31, 2016
Profit/(Loss) before Income tax expense (₹ '000)	**4,662,038**	(2,733,554)
Applicable tax rate	**33.45%**	34.61%
Increase/reduction in taxes on account of :		
Effect of income that is exempt from taxation	**(26.00)%**	-
Effect of expenses that are not deductible for taxation purposes	**2.09%**	(40.19)%
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	**(0.93)%**	2.94%
Others	**(0.35)%**	0.76%
Effect on deferred tax balances due to change in income tax rate	**(0.05)%**	-
Effective Tax Rate	**8.21%**	(1.88)%

Notes forming part of the Financial Statements

(c) Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unabsorbed depreciation and tax losses can be utilised. Accordingly, the Company has not recognized deferred tax assets in respect of deductible temporary differences and unused tax losses of ₹ 409,869 thousands (March 31, 2016 ₹ 409,869 thousands; April 1, 2015 ₹ 641,699 thousands).

(d) **Amounts recognised directly in equity :**
Aggregate origination & reversal of temporary differences arising in the reporting period and not recognised in the net profit or loss or other comprehensive income but directly debited/ (Credited) to equity:

₹ '000

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred tax liability reversal due to change in value of investment (refer note 19)	**(5,736,720)**	-

25. MOVEMENT IN DEFERRED TAX :

₹ '000

Particulars	Effects of remeasuring financial instruments under Ind AS	Investment fair valuation impact	MAT Credit Entitlement	Total
As at April 1, 2015	**8,855**	**16,621,798**	**-**	**16,630,653**
Recognised in:				
Profit and Loss	(8,519)	(21,158)	(18,254)	**(47,931)**
OCI	-	2,341,094	-	**2,341,094**
As at March 31, 2016	**336**	**18,941,734**	**(18,254)**	**18,923,816**
Recognised in:				
Profit and Loss	15,474	(16,335)	(43,526)	**(44,387)**
OCI	-	3,184,111	-	**3,184,111**
Retained Earnings	-	(5,736,720)	-	**(5,736,720)**
MAT Credit Utilisation	-	-	61,780	**61,780**
As at March 31, 2017	**15,810**	**16,372,790**	**-**	**16,388,600**

26. EARNINGS PER SHARE:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Basic earnings per share		
Nominal value of equity shares (₹)	**10/-**	10/-
Profit/(Loss) after tax (₹ '000)	**4,279,427**	(2,784,993)
Profit/(Loss) attributable to equity shareholders (₹ '000)	**4,279,427**	(2,784,993)
Weighted average number of equity shares outstanding during the year	**11,489,649**	10,000,000
Basic earnings per share (₹)	**372.46**	(278.50)
b) Diluted earnings per share		
Profit/(Loss) after tax (₹ '000)	**4,279,427**	(2,784,993)
Add : Fair Value (gain)/loss on Financial Instruments (CCPS) at FVTPL	**290,146**	3,173,780
Net Profit available for computing diluted earnings per equity share (₹ '000)	**4,569,573**	388,787
Dilutive effect on weighted average number of equityshares outstanding during the year	**2,168,929**	*
Weighted average number of diluted equity shares	**13,658,578**	10,000,000
Diluted earnings per share (₹)	**334.56**	(278.50)

*As the company has incurred loss during the year, dilutive effect on weighted average number of shares outstanding would have an anti-dilutive impact and hence, not considered.

Notes forming part of the Financial Statements

27. Related party transactions:

List of Related Parties is as follows:

Relationship	Related Party
Holding Company	Idea Cellular Limited (ICL)
Fellow Subsidiaries	Idea Cellular Infrastructure Services Limited (ICISL)
	Idea Telesystems Limited (ITL)
Joint Venture	Indus Towers Limited (INDUS)
Key Management Personnel (KMP)	Mr. Baldev Raj Gupta
	Ms. Tarjani Vakil

Transactions with related parties during the year ended March 31, 2017

₹ '000

Particulars	Nature of Relationship				
	Holding Company	Fellow Subsidiary		Joint Venture	KMP
	ICL	ITL	ICISL	INDUS	
Purchase of goods		2,521 (3,094)			
Sale of goods	3,280 (3,449)				
Dividend received				3,622,578 (-)	
Interest income	255,695 (-)		40,068 (149,546)		
ICD given to	11,100,000 (-)				
ICD repaid by	11,100,000 (-)		750,000 (1,216,500)		
Sitting fees					180 (142)

(Figures in brackets for the year ended March 31, 2016)

Balance outstanding

₹ '000

Particulars	Nature of relationship		
	Fellow subsidiary (ICISL)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Interest receivable	-	2,768	135,769
ICD given	-	750,000	1,966,500

28. Segment information:

As the Company operates in only one business segment, hence there is no separate reportable segment as per Ind AS 108, Operating Segments.

Notes forming part of the Financial Statements

29. Financial Instruments:

a) Financial Instruments by Category: The following table provides categorization of all financial instruments at carrying value.

₹ '000

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI
Financial Assets									
(a) Non-current investments	-	-	72,225,233	-	-	83,837,546	-	-	73,690,641
(b) Current investments	7,671,722	-	-	4,551,415	-	-	2,858,472	-	-
(c) Short term loans	-	-	-	-	750,000	-	-	1,966,500	-
(d) Cash and cash equivalents	-	390	-	-	465	-	-	571	-
(e) Interest receivable	-	-	-	-	2,768	-	-	135,769	-
Total Financial Assets	**7,671,722**	**390**	**72,225,233**	**4,551,415**	**753,233**	**83,837,546**	**2,858,472**	**2,102,840**	**73,690,641**
Financial Liabilities									
(f) Trade payables	-	1,367	-	-	890	-	-	105	-
(g) CCPS	-	-	-	28,792,956	-	-	25,619,176	-	-
Total Financial Liabilities	**-**	**1,367**	**-**	**28,792,956**	**890**	**-**	**25,619,176**	**105**	**-**

(b) Fair value hierarchy

The company has classified its financial instruments into three levels in order to provide an indication about the reliability of the inputs used in determining fair values.

i. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2017:

₹ '000

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Non -current investments	-	72,225,233#	-	72,225,233
Current investments	7,671,722	-	-	7,671,722
Total Financial Assets	**7,671,722**	**72,225,233**	-	**79,896,955**

#As at March 31, 2017 the company has transferred the fair value of Non-current investments from a level 3 hierarchy to a level 2 hierarchy based on the available EV/EBITDA multiple benchmark of listed competitors in India from the same industry (refer note e).

ii. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2016:

₹ '000

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Non -current investments	-	-	83,837,546	83,837,546
Current investments	4,551,415	-	-	4,551,415
Total Financial Assets	**4,551,415**	**-**	**83,837,546**	**88,388,961**
Financial Liabilities				
CCPS	**-**	-	28,792,956	28,792,956
Total Financial Liabilities	**-**	**-**	**28,792,956**	**28,792,956**

Notes forming part of the Financial Statements

iii. Fair value hierarchy of financial assets and liabilities measured at fair value as at April 1, 2015:

₹ '000

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Non -current investments	-	-	73,690,641	73,690,641
Current investments	2,858,472	-	-	2,858,472
Total Financial Assets	**2,858,472**	**-**	**73,690,641**	**76,549,113**
Financial Liabilities				
CCPS	**-**	-	25,619,176	25,619,176
Total Financial Liabilities	**-**	**-**	**25,619,176**	**25,619,176**

iv. The carrying amounts of the following financial assets and financial liabilities are reasonable approximation of their fair values. Accordingly, the fair values of such financial assets and financial liabilities have not been disclosed separately.

a) Financial Assets
- Loans
- Cash and cash equivalents
- Interest receivable

b) Financial Liabilities
- Trade payables

Notes forming part of the Financial Statements

(c) Quantitative information about the significant unobservable input used in level 3 fair value measurement:

Particulars	Fair value as at (₹ '000)			Significant unobservable inputs	Range for sensitivity			Sensitivity
	March 31 2017	March 31 2016	April 1, 2015		March 31, 2017	March 31, 2016	April1, 2015	
(a) Non - current investments	-*	83,837,546	73,690,641	Dividend Growth rate (For March 31, 2016 and April 1, 2015)	-	3.5% - 4.5%	3.5% - 4.5%	**a) March 31, 2016 :** Increase in Dividend growth rate (+50 bps) and decrease in Risk adjusted discount rate (-100 bps) would increase Fair value by ₹26,155,606 thousand. Decrease in Dividend growth rate (-50 bps) and increase in Risk adjusted discount rate (+100 bps) would decrease Fair value by ₹15,569,988 thousand.
				Risk adjusted discount rate (For March 31, 2016 andApril 1, 2015)	-	8.83% - 10.83%	9.02% - 11.02%	**b) April 1, 2015:** Increase in Dividend growth rate (+50 bps) and decrease in Risk adjusted discount rate (-100 bps) would increase Fair value by ₹ 22,820,590 thousand. Decrease in Dividend growth rate (-50 bps) and increase in Risk adjusted discount rate (+100 bps) would decrease Fair value by ₹ 13,840,032 thousand.
					Probability-weighted range			
(b) CCPS (refer note 19)	-	28,792,956	25,619,176	Dividend Growth rate	-	3.5% - 4.5%	3.5% - 4.5%	**a) March 31, 2016:** Increase in Dividend growth rate (+50 bps) and decrease in Risk adjusted discount rate (-100 bps) would increase Fair value by ₹ 7,928,427 Thousand. Decrease in Dividend growth rate (-50 bps) and increase in Risk adjusted discount rate (+100 bps) would decrease Fair value by ₹ 4,719,643 Thousand.
				Risk adjusted discount rate	-	8.83% - 10.83%	9.02% - 11.02%	**b) April 1, 2015:** Increase in Dividend growth rate (+50 bps) and decrease in Risk adjusted discount rate (-100 bps) would increase Fair value by ₹ 6,917,499 Thousand. Decrease in Dividend growth rate (-50 bps) and increase in Risk adjusted discount rate (+100 bps) would decrease Fair value by ₹ 4,195,252 Thousand.

*As at March 31, 2017 the company has transferred the fair value of Non-current investments from a level 3 hierarchy to a level 2 hierarchy based on the available EV/EBITDA multiple benchmark of listed competitors in India from the same industry.

Notes forming part of the Financial Statements

(d) Movement in financial assets and liabilities categorized as level 3 in the fair value hierarchy:

₹ '000

Particulars	Non - current investments (FVTOCI)	CCPS (FVTPL)
As at April 1, 2015	**73,690,641**	**25,619,176**
Gain / (Loss) recognised in statement of profit and loss	-	3,173,780
Gain / (Loss) recognised in other comprehensive income	10,146,905	-
As at March 31, 2016	**83,837,546**	**28,792,956**
Gain / (Loss) recognised in statement of profit and loss	-	290,146
Gain / (Loss) recognised in other comprehensive income	13,800,759	-
Distribution on extinguishment of equity shares (refer note 19)	(25,413,072)	-
Conversion of liability to equity shares	-	(29,083,102)
Transferred to Level 2 hierarchy	(72,225,233)	-
As at March 31, 2017	**-**	**-**
Unrealised gains/(losses) recognised in statement of profit and loss related to assets and liabilities held at the end of the reporting period		
March 31, 2017	-	-
March 31, 2016	-	3,173,780

(e) Valuation Technique used to determine fair value

Fair value of quoted current investments in Mutual Funds is based on price quotations at the reporting date.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable, willing parties, other than in a forced or liquidation sale. The valuation techniques used to determine the fair values of financial assets and financial liabilities classified as level 2 include use of quoted market prices or dealer quotes for similar instruments and generally accepted pricing models based on a discounted cash flow analysis using rates currently available for debt on similar terms, credit risk and remaining maturities.

As on April 1, 2015 and March 31, 2016, the objective of the company was to remain invested in Indus and accordingly such investment was fair valued using the Dividend discount model by taking present value of the estimated future cash flow of dividend based on the risk adjusted discount rates. However, the decision of the holding company's board with respect to the proposed merger of Vodafone India Limited and Vodafone Mobile Services Limited with the Holding company has changed the circumstances and thus, as on March 31, 2017, the equity instruments of Indus towers limited have been fair valued using comparable Enterprise value method with available comparable quotes of listed peer in the Industry.

The fair value of CCPS has been calculated using the Dividend discount model by taking present value of the estimated future cash flow of dividend based on the risk adjusted discount rates.

30. Financial risk management objectives and policies:

The company's principal financial liabilities, comprisesof trade and other payables. The company's principal financial assets include loans, other receivables and cash and cash equivalents that derive directly from its operations.

The company is exposed to Market risk. The holding company comprising a team of qualified finance professionals with appropriate skills and experience provides assurance to the management that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include non-current investment in joint venture and investments in mutual funds.

Price risk

The company invests its surplus funds in various debt instruments and debt mutual funds. These comprise of mainly liquid schemes of mutual funds (liquid investments).

Notes forming part of the Financial Statements

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

On the duration investment balance, an increase/ decrease of 25 basis points in market yields (parallel shift of the yield curves), will result in decrease/increase in the marked to market value of the investments by 8,869 thousands as on March 31, 2016, respectively.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument leading to a financial loss. The company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The amount is generally collected in advance for the trading business and hence there is no customer credit risk. Investments of surplus funds are made only with approved counterparties. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2017, March 31, 2016 and April 1, 2015 is the carrying amounts as illustrated in note 8, note 10, note 11 and note 12.

Liquidity Risk

Liquidity risk is the risk that the company may encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The company has Financial liabilities of trade payables, payable for CCPS and other payables all of which are payable within one year. The Company maintains sufficient cash and other liquid financial asset to meet the payment of financial liabilities within the due dates.

31. Capital management:

For the purpose of the company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholder value.

The company is a 100% subsidiary of Idea cellular limited and has no borrowings. The existing surplus funds along with the cash generated by the company are sufficient to take care of its long term and working capital requirements.

32. Details of 'Specified Bank Notes' (SBN) held and transacted during the period November 08, 2016 to December 30, 2016 as provided in the Table below:-

₹ '000

Particulars	SBN	Other Denomination Notes	Total
Closing Cash in Hand as on November 08, 2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing Cash in Hand as on December 30, 2016	**-**	**-**	**-**

33. Particulars of loans given/investments made/guarantees given, as required by clause (4) of Section 186 of the Companies Act, 2013

Name	Nature	Amount (₹ in '000)	Period	Rate of Interest	Purpose
Idea Cellular Limited (ICL)	ICD	9,660,800	180 days	7.20%	General corporate purpose
Idea Cellular Limited (ICL)	ICD	1,439,200	90 days	7.20%	General corporate purpose

Notes forming part of the Financial Statements

34. The Company has 11.15 % shareholding in Indus towers limited (a Company incorporated in India) as joint venture as on March 31, 2017.

The table below provides summarised financial information for the joint venture of the Company. The information disclosed reflects the amounts presented in the financial statements of the relevant joint venture.

Summarised Balance sheet of Indus Towers Limited is as below:

₹ '000

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equity			
Equity sharecapital	**1,192**	1,192	1,192
Other equity	**132,163,591**	133,761,506	111,021,592
Liabilities			
Long term borrowings	**10,589,194**	25,585,156	37,203,199
Other non currentliabilities	**18,144,967**	16,045,213	14,768,786
Deferred tax liability	**11,225,174**	10,881,000	11,046,448
Short term borrowings	**11,535,477**	-	3,494,300
Other current liabilities	**42,000,306**	38,068,718	50,234,435
Assets			
Net block (including CWIP)	**191,656,139**	192,489,633	193,883,584
Other non current Assets	**15,493,656**	14,950,393	15,241,134
Current investments	**-**	2,702,628	-
Other current assets	**18,510,106**	14,200,131	18,645,234

Summarised Statement of Profit and Loss of Indus Towers Limited is as below:

₹ '000

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenues from operations	**175,279,816**	161,694,550
Other income	**1,682,888**	1,773,269
Operating costs	**101,683,272**	91,766,463
EBITDA	**75,279,432**	71,701,356
Finance cost	**5,440,285**	6,226,057
Depreciation &amortisation	**26,115,432**	25,442,083
PBT	**43,723,715**	40,033,216
Exceptional item	**-**	549,000
Taxes	**15,273,047**	14,227,153
PAT	**28,450,658**	26,355,073
Other comprehensive income	**(22,033)**	(52,458)
Total comprehensive income	**28,428,635**	26,302,605

The Company has received a dividend of ₹ 3,622,578 thousands (Previous year: ₹ Nil) from Indus Towers Limited.

Notes forming part of the Financial Statements

The contingent liabilities and capital commitment of Indus Towers Limited are given below:

₹ '000

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Contingent liability	**36,787,000**	31,044,000	21,729,000
Capital commitment	**7,077,000**	3,864,000	2,889,000

For and on behalf of the Board

Akshaya Moondra
Director

Himanshu Kapania
Director

Anil Arya
Chief Financial Officer

Mansi Gandhi
Company Secretary

Place: Mumbai
Date: May 9, 2017

Statement of Cash Flows for the year ended March 31, 2017

₹ '000

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash flow from Operating activities		
Profit/(Loss) before tax	**4,662,038**	(2,733,554)
Adjustments for		
Dividend income	**(3,622,578)**	-
Fair value (gain) / loss on financial instruments at FVTPL	**290,146**	3,173,780
Gain on mutual funds (including fair value (gain)/loss)	**(493,003)**	(293,747)
Interest income	**(844,168)**	(149,546)
Operating profit/ (loss) before working capital changes	**(7,565)**	(3,067)
Adjustments for changes in working capital		
(Increase)/Decrease in Inventories	**290**	(174)
(Increase)/Decrease in Other financial and non-financial assets	**2,348,164**	(157)
Increase/(Decrease) in Trade payables	**477**	785
Increase/(Decrease) in Other financial and non-financial liabilities	**(617)**	244
Cash flows from operating activities	**2,340,749**	(2,369)
Income tax paid (including TDS) (net)	**(383,033)**	(97,588)
Net Cash from/(used in) Operating Activities	**1,957,716**	(99,957)
Cash flow from Investing activities		
Inter corporate deposit (ICD) repaid by fellow subsidiary	**750,000**	1,216,500
ICD given to holding company	**(11,100,000)**	-
ICD repaid by holding company	**11,100,000**	-
Interest received	**846,935**	282,547
Net proceeds from sale/(purchase) of current investments	**(2,627,304)**	(1,399,196)
Dividend income from Indus	**3,622,578**	-
Net cash from / (used in) Investing Activities	**2,592,209**	99,851
Cash flow from Financing activities		
Amount paid on extinguishment of equity shares held by P5 as per the high court approved scheme (refer note 19)	**(4,550,000)**	-
Net cash from / (used in) financing Activities	**(4,550,000)**	-
Net Increase / (Decrease) in Cash and Cash equivalents	**(75)**	(106)
Cash and cash equivalents at the beginning of the year	**465**	571
Cash and cash equivalents at the end of the year	**390**	465

Notes to Statement of Cash Flow for the year ended March 31, 2017

1. Cash and Cash Equivalents include the following Balance Sheet amounts

Balances with banks - In current account	**390**	465
	390	465

2. The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on Statement of Cash Flows

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner
Membership No.: 38019

Place : Mumbai
Date : May 9, 2017

For and on behalf of the Board

Akshaya Moondra
Director

Himanshu Kapania
Director

Anil Arya
Chief Financial Officer

Mansi Gandhi
Company Secretary