IDEA MOBILE COMMERCE SERVICES LIMITED

ANNUAL ACCOUNTS 2016-17

Independent Auditors' Report

To the Members of
Idea Mobile Commerce Services Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **IDEA MOBILE COMMERCE SERVICES 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, anda 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'spreparation 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 theaccounting 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 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,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 does not have any pending litigations which would impact its financial position;

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

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

   iv. The Company has provided requisite disclosures in the Ind AS financial statements as regards its holding and 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. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

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 ofSection 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **IDEA MOBILE COMMERCE SERVICES LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of theInd 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 financialcontrols based on the internal control over financial reporting criteriaestablished by the Company considering the essential components of internal control stated inthe Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued bythe Institute of Chartered Accountants of India. These responsibilities include the design,implementation and maintenance of adequate internal financial controls that were operatingeffectively for ensuring the orderly and efficient conduct of its business, including adherence tocompany's policies, the safeguarding of its assets, the prevention and detection of frauds anderrors, the accuracy and completeness of the accounting records, and the timely preparation ofreliable 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 overfinancial reporting based on our audit. We conducted our audit in accordance withthe 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 prescribedunder Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit ofinternal 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 providea 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 (i) of the Order is not applicable.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.

(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) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the Order is not applicable.

(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 Provident Fund, Income-tax, Service 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, Sales Tax / Value Added Tax, Customs Duty, Employees' State Insurance and Cess.

b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service 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 Income-tax and Service Tax as on March 31, 2017 which have not been deposited on account of any dispute.

(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 providedmanagerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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

₹ in '000

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
(a) Financial assets				
(i) Long term loans to employees		-	98	88
(b) Other non-current assets	7	4,081	7,118	867
Total non-current assets (A)		4,081	7,216	955
Current assets				
(a) Financial assets				
(i) Current investments	8	104,928	110,106	29,999
(ii) Trade receivables	9	8,578	7,526	10,500
(iii) Cash and cash equivalents	10	383,989	107,212	16,720
(iv) Current portion of loans to employees		61	61	70
(v) Other current financial assets	11	268	2,316	10,038
(b) Current Tax Assets (Net)		85	-	-
(c) Other current assets	12	43,331	8,770	1,000
Total current assets (B)		541,240	235,991	68,327
Total Assets (A+B)		545,321	243,207	69,282
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	13	900,000	299,000	99,000
(b) Other equity	14	(875,834)	(284,600)	(59,036)
Total equity (A)		24,166	14,400	39,964
Liabilities				
Non-current liabilities				
(a) Long term provisions	15	1,434	1,378	429
Total non-current liabilities (B)		1,434	1,378	429
Current liabilities				
(a) Financial liabilities				
(i) Short term borrowings	16	10,589	-	-
(ii) Trade payables (Refer Note 33)		130,109	113,616	10,106
(iii) Other current financial liabilities	17	6,109	2,055	1,020
(b) Other current liabilities	18	372,815	111,547	17,675
(c) Short Term Provisions	19	99	211	88
Total current liabilities (C)		519,721	227,429	28,889
Total Equity and Liabilities (A+B+C)		545,321	243,207	69,282

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

Amar Bhosale
Chief Financial Officer

Vineet Choraria
Company Secretary

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

₹ in '000

Particulars	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
INCOME			
Service revenue		**91,296**	66,800
Miscellaneous receipts		**578**	13
REVENUE FROM OPERATIONS		**91,874**	66,813
Other income	20	**21,279**	5,389
TOTAL INCOME		**113,153**	72,202
OPERATING EXPENDITURE			
Employee benefit expenses	21	**104,423**	46,342
IT outsourcing cost		**111,103**	83,676
Customer acquisition and servicing expenditure	22	**431,743**	142,728
Advertisement and Business Promotion Expenditure		**22,567**	11,894
Administration and other expenses	23	**33,020**	12,794
TOTAL		**702,856**	297,434
PROFIT / (LOSS) BEFORE FINANCE CHARGES AND TAXES		**(589,703)**	(225,232)
Finance costs	24	**545**	27
PROFIT / (LOSS) BEFORE TAX		**(590,248)**	(225,259)
Tax expense		**-**	-
PROFIT/(LOSS) AFTER TAX		**(590,248)**	(225,259)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Items not to be reclassified to profit and loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit plans		**(986)**	(305)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		**(986)**	(305)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**(591,234)**	(225,564)
Earnings per equity share (in ₹):	31		
Basic and Diluted		**(7.80)**	(13.91)

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

Amar Bhosale
Chief Financial Officer

Vineet Choraria
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

	₹ '000
As at April 1, 2015	**99,000**
Issue of shares to Idea Cellular Limited	200,000
As at March 31, 2016	**299,000**
Issue of shares to Idea Cellular Limited	601,000
As at March 31, 2017	**900,000**

B. OTHER EQUITY

₹ '000

Particulars	**Retained Earnings**
As at April 1, 2015	**(59,036)**
Profit / (Loss) for the year	(225,259)
Other comprehensive income / (loss) recognised directly in retained earnings	(305)
As at March 31, 2016	**(284,600)**
Profit / (Loss) for the year	(590,248)
Other comprehensive income / (loss) recognised directly in retained earnings	(986)
As at March 31, 2017	**(875,834)**

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

Amar Bhosale
Chief Financial Officer

Vineet Choraria
Company Secretary

Notes forming part of the Financial Statements

1. **Corporate Information**

   Idea Mobile Commerce Services Limited ('the Company') was incorporated on October 19, 2007 and provides Mobile Commerce services and issues Prepaid Payment Instruments (PPI) under authorization of Reserve Bank of India under Section 18 of the Payment and Settlement Systems Act, 2007. Services offered by the Company include domestic money transfers and utility payments.

   The Company is a wholly owned subsidiary of Idea Cellular Limited (Holding Company).

   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 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.

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. **Service Revenue**

   Revenue on account of services is recognized on rendering of services.

   ii. **Unbilled Income**

   Unbilled income represents the value of services rendered but not yet been invoiced on the reporting date due to contractual terms.

   iii. **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.

   b) **Employee benefits**

   i. **Retirement Benefits**

   Contributions to Provident and Pension funds are funded with the appropriate authorities and charged to the Statement of Profit and Loss when the employees have rendered service entitling them to the contributions.

   Contributions to Superannuation are funded with the Life Insurance Corporation of India and charged to the Statement of Profit and Loss when the employees have rendered service entitling them to the contributions.

   The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund with the Life Insurance Corporation of India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, with actuarial valuations being carried out at periodic intervals.

   Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding charge or credit to Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are

Notes forming part of the Financial Statements

not reclassified to statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs; and
- Net interest expense or income

ii. Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries, wages and other short term employee benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Provision for leave benefits to employees is based on actuarial valuation done by projected accrued benefit method at the reporting date.

iii. Share- based payments

In respect to Stock Option granted pursuant to the Holding Company's Employee Stock Option Scheme, the Fair Value of the option is accounted as employee compensation cost over the vesting period.

c) Foreign currency transactions

The Company's financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded at the INR spot rate on the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange on the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recognised using the exchange rates at the dates of the initial transactions.

d) 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.

e) 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 atleast 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 atleast twelve months after the reporting period.

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

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.

Notes forming part of the Financial Statements

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

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 does not have any assets classified as 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.

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.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Debt instruments measured at amortised cost e.g., loans and bank deposits
- Trade receivables
- Other Financial assets not designated as FVTPL

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables (including lease receivables). The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

Notes forming part of the Financial Statements

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 statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by 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. Gains or losses on liabilities held for trading are recognised in the profit or loss.

De-recognition

A financial liability is de-recognised 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 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 is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1 — 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.

Contingent Liabilities

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 and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets

Notes forming part of the Financial Statements

and liabilities, and the accompanying disclosures, and 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. Defined benefit plans (gratuity benefits)

The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 32.

ii. Allowance for Trade receivable

The Company follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables (including lease receivables). For the purpose of measuring lifetime ECL allowance for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off or are provided for when management deems them not to be collectible.

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, (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. Exemptions applied

Ind AS 101 on First Time Adoption of Ind AS allows first-time adopters certain voluntary exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Ind AS 102 on Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before the date of transition to Ind AS.

B. Exceptions applied

Ind AS 101 specifies mandatory exceptions from retrospective application of some aspects of other Ind AS 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) apart from the following items where application of Previous GAAP did not require estimation:

- Impairment of financial assets based on Expected Credit Loss (ECL) model

  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.

Notes forming part of the Financial Statements

C. EFFECT OF IND AS ADOPTION ON THE BALANCE SHEET

₹ '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							
(a) Financial assets							
(i) Long term loans to employees		**98**	**98**	**-**	88	88	-
(b) Other non-current assets		**7,118**	**7,118**	**-**	867	867	-
Total non-current assets (A)		**7,216**	**7,216**	**-**	955	955	-
Current assets							
(a) Financial assets							
(i) Current investments	i	**110,106**	**110,000**	**106**	29,999	29,999	-
(ii) Trade receivables		**7,526**	**7,526**	**-**	10,500	10,500	-
(iii) Cash and cash equivalents		**107,212**	**107,212**	**-**	16,720	16,720	-
(iv) Current portion of loans to employees		**61**	**61**	**-**	70	70	-
(v) Other current financial assets		**2,316**	**2,316**	**-**	10,038	10,038	-
(b) Other current assets		**8,770**	**8,770**	**-**	1,000	1,000	-
Total current assets (B)		**235,991**	**235,885**	**106**	68,327	68,327	-
Total assets (A+B)		**243,207**	**243,101**	**106**	69,282	69,282	-
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital		**299,000**	**299,000**	**-**	99,000	99,000	-
(b) Other equity	i, ii	**(284,600)**	**(284,334)**	**(266)**	(59,036)	(59,036)	-
Total equity (A)		**14,400**	**14,666**	**(266)**	39,964	39,964	-
Non-current liabilities:							
(a) Long term provisions		**1,378**	**1,378**	**-**	429	429	-
Total non-current liabilities (B)		**1,378**	**1,378**	**-**	429	429	-
Current liabilities:							
(a) Financial liabilities							
(i) Trade payables	ii	**113,616**	**113,244**	**372**	10,106	10,106	-
(ii) Other current financial liabilities		**2,055**	**2,055**	**-**	1,020	1,020	-
(b) Other current liabilities		**111,547**	**111,547**	**-**	17,675	17,675	-
(c) Short term provisions		**211**	**211**	**-**	88	88	-
Total current liabilities (C)		**227,429**	**227,057**	**372**	28,889	28,889	-
Total equity and liabilities (A+B+C)		**243,207**	**243,101**	**106**	69,282	69,282	-

Notes forming part of the Financial Statements

D. RECONCILIATION OF TOTAL EQUITY AS AT APRIL 1, 2015 AND MARCH 31, 2016

₹ in '000

Particulars	Exp. Note No.	As at March 31, 2016	As at April 1, 2015
Total Equity (shareholders' funds) under Previous GAAP		**14,666**	39,964
Effects of measuring financial instruments under Ind AS	i	**106**	-
Share Based Payments at fair value	ii	**(372)**	-
Total Equity under Ind AS		**14,400**	39,964

E. EFFECT OF IND AS ADOPTION ON THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

₹ in '000

Particulars	Exp. Note No.	Ind AS	Previous GAAP	Difference
INCOME				
Service revenue		66,800	66,800	-
Miscellaneous receipts		13	13	-
Revenue from operations		**66,813**	**66,813**	**-**
Other income	i	5,389	5,283	106
Total income		**72,202**	**72,096**	**106**
OPERATING EXPENDITURE				
Employee benefits expense	ii, iii	46,342	46,275	67
IT out sourcing cost		83,676	83,676	-
Subscriber acquisition and servicing expenditure		142,728	142,728	-
Advertisement and Business Promotion Expenditure		11,894	11,894	-
Administration and other expenses		12,794	12,794	-
		297,434	**297,367**	**67**
PROFIT / (LOSS) BEFORE FINANCE CHARGES AND TAXES		**(225,232)**	**(225,271)**	**39**
Finance costs		27	27	-
PROFIT / (LOSS) BEFORE TAX		**(225,259)**	**(225,298)**	**39**
Tax Expense		**-**	**-**	**-**
PROFIT / (LOSS) AFTER TAX		**(225,259)**	**(225,298)**	**39**
OTHER COMPREHENSIVE INCOME				
Items not to be reclassified to profit and loss in subsequent periods:				
Re-measurement gains / (losses) on defined benefit plans	iii	(305)	-	(305)
OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR, NET OF TAX		**(305)**	**-**	**(305)**
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		**(225,564)**	**(225,298)**	**(266)**

Notes forming part of the Financial Statements

F. RECONCILIATION OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2016

₹ in '000

Particulars	Exp. Note No.	For the year ended March 31, 2016
Total Comprehensive Income under Previous GAAP		**(225,298)**
Effects of measuring financial instruments under Ind AS	i	106
Share based payments recognised at Fair value	ii	(372)
Re-measurement gains/ (losses) on defined benefit plans	iii	305
Profit / (Loss) after tax under Ind AS		**(225,259)**
Other comprehensive income - Re-measurement gains/ (losses) on defined benefit plans	iii	(305)
Total Comprehensive Income / (Loss) under Ind AS		**(225,564)**

G. EFFECT OF IND AS 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	(34,763)	(34,763)	-
Net cash flows from Investing activities	(74,718)	5,283	(80,001)
Net cash flows from Financing activities	199,973	199,973	-
Net increase (decrease) in cash and cash equivalents	**90,492**	**170,493**	**(80,001)**
Cash and cash equivalents at the beginning of period	16,720	46,719	(29,999)
Cash and cash equivalents at the end of period	**107,212**	**217,212**	**(110,000)**

H. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR THE PURPOSE OF STATEMENT OF CASH FLOWS

₹ in '000

Particulars	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents under Previous GAAP	**217,212**	**46,719**
Investments in units of liquid mutual funds	(110,100)	(29,999)
Cash and cash equivalents under Ind AS	**107,212**	**16,720**

Explanatory notes to the reconciliations

i) 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 ₹ NIL and on March 31, 2016 by ₹106 thousands. The profit before tax for the year ended March 31, 2016 has increased by ₹106 thousands.

ii) Share-based payments

Under Previous GAAP, the cost of equity-settled employee share based payments was recognised based on intrinsic value of the options as at the grant date over the appropriate vesting period. Ind AS requires expense on such share based payments to be recognised based on fair value as at grant date using an appropriate pricing model over the appropriate vesting period. This has resulted to decrease in equity on the transition date by ₹ NIL and on March 31, 2016 by ₹ 372 thousands. The profit before tax for the year ended March 31, 2016 has decreased by ₹ 372 thousands.

Notes forming part of the Financial Statements

iii) Employee Benefits

In Previous GAAP, actuarial gains and losses were recognised in Statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of re-measurement of net defined benefit liability / asset which is recognised in other comprehensive income in the respective periods. The change does not affect total equity but there is an increase in profit before tax for the year ended March 31, 2016 by ₹ 305 thousands.

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 become effective.

a) 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

b) Amendments to Ind AS 102 Share-based payments

Ind AS 102 has been amended to include clarity on the following areas:

- Measurement of cash-settled share-based payments
- Classification of share-based payments settled net of tax withholdings
- Accounting for a modification of a share-based payment from cash-settled to equity-settled

The above changes do not impact the Company as the Share based payments made by the Company are neither cash-settled share-based payment nor do they have any "net settlement feature".

7 OTHER NON-CURRENT ASSETS

₹ in '000

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance income tax (net)	**4,081**	7,118	867
Total	**4,081**	7,118	867

8 CURRENT INVESTMENTS

₹ in '000

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investments at fair value through profit or loss			
Investment in units of liquid mutual funds (quoted)	104,928	110,106	29,999
(Refer Note 37)			
Total	**104,928**	**110,106**	**29,999**

Notes forming part of the Financial Statements

9 TRADE RECEIVABLES (Unsecured considered good, unless otherwise stated) (Refer Note 33)

₹ in '000

Particulars		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a)	**Billed Receivables**			
-	Considered Good	**6,056**	3,547	7,453
-	Considered Doubtful	**175**	-	
		6,231	3,547	7,453
Less: Allowance for Doubtful Debts		**175**		
		6,056	**3,547**	**7,453**
b)	**Unbilled Receivables**	**2,522**	3,979	3,047
Total		**8,578**	**7,526**	**10,500**

10 CASH AND CASH EQUIVALENTS

₹ in '000

Particulars		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a)	Cash on hand	-	3	-
b)	Balances with banks in current accounts	**383,989**	107,209	16,720
Total		**383,989**	107,212	16,720

Balance with Banks in Current Account includes ₹ 205,075 thousands (March 31, 2016: ₹ 52,080 thousands, April 1, 2015: ₹ 3,207 thousands) in Escrow account of which ₹ 156,715 thousands (March 31, 2016: ₹ 47,668 thousands, April 1, 2015: ₹ 3,206 thousands) is towards the liability for unutilised balances in customer accounts and ₹ 12,472 thousands (March 31, 2016: ₹ 4,412 thousands, April 1, 2015: ₹ 1 thousand) is towards the liability for amount payable to merchants on account of transaction by customers as required under the Reserve Bank of India (RBI) guidelines.

11 OTHER CURRENT FINANCIAL ASSETS

₹ in '000

Particulars		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a)	Security Deposits	**102**	100	100
b)	Other Receivables	**166**	2,216	9,938
Total		**268**	**2,316**	**10,038**

12 OTHER CURRENT ASSETS

₹ in '000

Particulars		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a)	Cenvat credit	**40,306**	4,449	584
b)	Prepaid expenses (Refer Note 32)	**2,168**	1,281	365
c)	Advance income tax (net)	**-**	-	-
d)	Others			
-	Considered Good	**857**	3,040	51
-	Considered Doubtful	**131**	-	-
		988	3,040	51
Less: Allowance for Doubtful Advances		**131**	-	-
		857	3,040	51
Total		**43,331**	8,770	1,000

Notes forming part of the Financial Statements

13 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 share capital						
Equity shares of ₹ 10 each	**100,000,000**	**1,000,000**	50,000,000	500,000	25,000,000	250,000
	100,000,000	**1,000,000**	50,000,000	500,000	25,000,000	250,000
Issued, Subscribed and Paid-up share capital						
Equity Shares of ₹ 10 each fully paid up	**90,000,000**	**900,000**	29,900,000	299,000	9,900,000	99,000
	90,000,000	**900,000**	29,900,000	299,000	9,900,000	99,000

(i) All the shares are held by the holding company - Idea Cellular Limited along with nominee share holders.

(ii) At the Annual General Meeting held on July 1, 2016, the members of the company have approved to increase the Authorised Equity Share Capital from ₹ 500,000 Thousands to ₹ 1,000,000 Thousands.

a) Reconciliation of number of 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	**29,900,000**	**299,000**	9,900,000	99,000	4,500,000	45,000
Equity shares allotted to Idea Cellular Limited (Refer Note 33)	**60,100,000**	**601,000**	20,000,000	200,000	5,400,000	54,000
Equity shares outstanding at the end of the year	**90,000,000**	**900,000**	29,900,000	299,000	9,900,000	99,000

b) 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 - RESERVES AND SURPLUS

₹ in '000

Particulars	As at March 31, 2017	As at March 31, 2016
Retained Earnings		
Balance at the beginning of the year	**(284,600)**	(59,036)
Add : Profit / (Loss) during the year	**(590,248)**	(225,259)
Add: Other comprehensive income / (loss)	**(986)**	(305)
Balance at the end of the year	**(875,834)**	(284,600)

15 LONG TERM PROVISIONS

₹ in '000

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Gratuity (Refer Note 32)	**-**	290	-
b) Compensated Absences	**1,434**	1,088	429
Total	**1,434**	1,378	429

Notes forming part of the Financial Statements

16 SHORT TERM BORROWINGS

₹ in '000

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Unsecured Loans			
Bank Overdraft	**10,589**	-	-
Total	**10,589**	-	-

17 OTHER CURRENT FINANCIAL LIABILITIES

₹ in '000

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Security Deposits	**6,109**	2,055	1,020
Total	**6,109**	2,055	1,020

18 OTHER CURRENT LIABILITIES

₹ in '000

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Advance from Customers and Trade Partners	**358,764**	98,072	16,956
b) Taxes and Other Liabilities	**14,051**	13,475	719
Total	**372,815**	111,547	17,675

19 SHORT TERM PROVISIONS

₹ in '000

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Compensated Absences	**99**	211	88
Total	**99**	211	88

20. OTHER INCOME

₹ in '000

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Interest income	**907**	31
b) Gain on Mutual Funds (Including Fair Value Gain/(Loss))	**20,372**	5,358
Total	**21,279**	5,389

21. EMPLOYEE BENEFIT EXPENSES

₹ in '000

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Salaries, wages and bonus	**92,567**	40,835
b) Contribution to provident and other funds (Refer Note 32)	**3,811**	1,731
c) Share based payment expense (Refer Note 28 & 33)	**2,997**	612
d) Staff welfare	**3,238**	991
e) Recruitment and training	**1,810**	2,173
Total	**104,423**	46,342

Notes forming part of the Financial Statements

22. CUSTOMER ACQUISITION AND SERVICING EXPENDITURE

₹ in '000

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Commission to dealers	402,892	136,997
b) Collection, telecalling and servicing expenses (Refer Note 33)	28,818	5,705
c) Customer retention and customer loyalty expenses	33	26
Total	431,743	142,728

23. ADMINISTRATION AND OTHER EXPENSES

₹ in '000

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Repairs and Maintenance	261	29
b) Rates and taxes	54	7
c) Printing and stationery	52	14
d) Communication expenses (Refer Note 33)	840	311
e) Travelling and conveyance	8,640	1,306
f) Allowances for doubtful debts and advances	306	-
g) Bank charges	10,679	31
h) Directors Sitting Fees (Refer Note 33)	147	125
i) Legal and professional charges	11,689	10,518
j) Audit fees (Refer Note 29)	75	50
k) Miscellaneous expenses	277	403
Total	33,020	12,794

24. FINANCE COSTS

₹ in '000

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Interest on Bank Overdraft	545	27
Total	545	27

25. During the year, Hon'ble High Courts of Bombay and Delhi have approved the scheme of amalgamation of the Company with Aditya Birla Idea Payments Bank Limited (ABIPBL) on a going concern basis. The scheme would be effective on completion of PPI migration process from the company to ABIPBL.

26. Estimated amounts of contract remaining to be executed on Capital Account and not provided for (Net of advance) is NIL (March 31, 2016: ₹ 7,064 thousands, April 1, 2015: ₹ NIL).

27. Reconciliation of average effective tax rate and applicable tax rate

₹ in '000

Particulars	As at March 31, 2017	As at March 31, 2016
Profit/ (Loss) before Income tax expense	(590,248)	(225,259)
Applicable Tax Rate	31.96%	33.06%
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Effects of expenses that are not deductible in determining the taxable profits	(0.28%)	(0.36%)
Effect of unrecognised tax losses and temporary differences	(31.68%)	(32.70%)
Income Tax Expense	0.00%	0.00%

Notes forming part of the Financial Statements

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 ₹ 865,677 thousands, ₹ 276,443 thousands, and ₹ 56,507 thousands as of March 31, 2017, March 31, 2016 and April 1, 2015 respectively.

28. The Holding Company, under its Stock Option Scheme 2013, has granted certain stock options and Restricted Stock Unit's (RSU's) to the eligible employees of the Company. The Company has to reimburse the Holding Company an amount equivalent to the fair value of these options and RSU's on the date of grant.

29. Auditor's Remuneration

₹ in '000

Particulars	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
Statutory Audit Fees	**75**	50
Certification (included in Legal and Professional Charges)	**60**	60
Total Remuneration	**135**	110

30. As of March 31, 2017, March 31, 2016 and April 1, 2015 no amounts are payable to Micro, Small, and Medium Enterprises (SMEs) within the meaning of the Micro, Small and Medium Enterprises Development Act, 2006.

31. Basic & Diluted Earnings per Share

Particulars	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
Nominal value of equity shares (₹)	**10/-**	10/-
Profit/(Loss) attributable to equity shareholders (₹ '000)	**(590,248)**	(225,259)
Weighted average number of equity shares outstanding during the year	**75,646,575**	16,197,814
Basic and Diluted Earnings Per Share (₹)	**(7.80)**	(13.91)

32. Employee Benefits

a. Defined Benefit Plan (Gratuity):

General Description and Benefits of the plan

The Company operates a defined benefit final salary gratuity plan through a trust. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. In case of employees retiring from the company, the Company's scheme is more favorable as compared to the obligation under Payment of Gratuity Act, 1972 depending on the period of continuous service. The benefit is payable on termination of service or retirement, whichever is earlier. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory Framework, Funding Arrangement and Governance of the Plan

The gratuity plan is governed by the Payment of Gratuity Act, 1972 (Gratuity Act). The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax act and rules. The Company is bound to pay the statutory minimum gratuity as prescribed under Gratuity Act. There are no minimum funding requirements for a gratuity plan in India. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan vis-à-vis settlement. The trustees of the trust are responsible for the overall governance of the plan. The trustees of the plan have outsourced the investment management of the fund to insurance companies which in turn manage these funds as per the mandate provided to them by the trustees and applicable insurance and other regulations.

The Company operates its gratuity plan through separate trust which is administered and managed by the Trustees. As on March 31, 2017 and March 31, 2016, the contribution towards the plans have been invested in Insurer Managed Funds.

Inherent Risks

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future.

Notes forming part of the Financial Statements

The following tables summarizes the components of net benefit expense recognized in the statement of profit or loss and the funded status and amounts recognized in the balance sheet for gratuity:

₹ in '000

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1,2015
Amount recognised in Balance Sheet			
Present value of obligations as at the end of the year	**1,021**	761	312
Fair value of plan assets as at the end of the year	**1,823**	471	316
Net Funded Obligation	**(802)**	290	(4)
Net Asset/(Liability) recognized in Balance Sheet	**802**	(290)	4
Net Asset/(Liability) recognized in Balance Sheet is bifurcated as			
- Current	**802**	-	4
- Non - Current	**-**	(290)	-

₹ in '000

Sr. No	Particulars	As at March 31, 2017	As at March 31, 2016
1	**Reconciliation of Net Defined Benefit Obligation**		
	Opening Net Defined Benefit liability / (asset)	**290**	(4)
	Expense charged to profit & loss account	**377**	142
	Expense charged to OCI	**986**	305
	Contribution made	**(1,367)**	(152)
	Impact of liability assumed / (settled)	**(1,088)**	-
	Closing Net Defined Benefit liability / (asset)	**(802)**	290
2	**Reconciliation of Defined Benefit Obligation**		
	Opening Defined Benefit Obligation	**761**	312
	Current Service cost	**448**	148
	Interest on Defined Benefit Obligation	**(93)**	25
	Actuarial (Gain)/Loss arising from change in financial assumptions	**143**	40
	Actuarial (Gain)/Loss arising from change in demographic assumptions	**195**	-
	Actuarial (Gain)/Loss arising on account of experience changes	**659**	236
	Benefits paid	**(4)**	-
	Liabilities assumed/ (settled)	**(1,088)**	-
	Closing Defined Benefit Obligation	**1,021**	761
3	**Reconciliation of plan assets**		
	Opening fair value of plan assets	**471**	316
	Employer contributions	**1,367**	152
	Mortality Charges and Taxes	**(115)**	-
	Interest on plan assets	**93**	31
	Re measurements due to -		
	- Actual return on plan assets less interest on plan assets	**11**	(28)
	Benefits paid	**(4)**	-
	Closing fair value of plan assets	**1,823**	471

Notes forming part of the Financial Statements

Amounts recognized in statement of profit and loss in respect of these defined benefit plans are as follows:

₹ in '000

Sr. No	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
1	**Expenses Recognised in Statement of Profit and Loss**		
	Current Service cost	**448**	148
	Interest on Net Defined Benefit liability/(asset)	**(186)**	(6)
	Mortality Charges and Taxes	**115**	-
	Expenses recognised in Statement of Profit & Loss	**377**	142
2	**Amount recorded as Other Comprehensive Income (OCI)**		
	Re measurement during the year due to		
	- Changes in financial assumptions	**143**	44
	- Changes in Demographic assumptions	**195**	-
	- Experience adjustments	**659**	261
	- Return on plan assets (excluding amounts included in net interest expense)	**(11)**	-
	Closing amount recognised in OCI	**986**	305

The principal assumptions used in determining gratuity obligations are shown below:

₹ in '000

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Discount rate	**7.10%**	8.10%
Future salary increases	**8.00%**	8.00%
Mortality rate during employment	As per Indian Assured Lives Mortality (2006-08) ult table	
		Withdrawal Rate
Age (Years) – upto 30 years	**5.00%**	12.00%
– 31-40 years	**3.00%**	12.00%
– 41-50 years	**2.00%**	12.00%
– Above 50 years	**2.00%**	12.00%
Expected average remaining working lives of employees (in years)	**16.31***	7.90*

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation is as below:

₹ in '000

Particulars	For the year ended March 31, 2017			For the year ended March 31, 2016		
	Discount rate	Salary escalation rate	Withdrawal rate	Discount rate	Salary escalation rate	Withdrawal rate
Impact of increase in 50 bps on DBO	**(7.02%)**	**7.85%**	**4.19%**	(3.37%)	3.31%	0.02%
Impact of decrease in 50 bps on DBO	**8.55%**	**(6.62%)**	**(3.25%)**	3.84%	(2.96%)	(0.03%)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Notes forming part of the Financial Statements

The following payments are expected contributions to the defined benefit plan in future years:

₹ in '000

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Within the next 12 months	**NIL**	160

Investment details of plan assets:

₹ in '000

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Insurer Managed Funds*	**1,823**	471

*The funds are managed by Insurer and they do not provide breakup of plan assets by investment type.

Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

₹ in '000

Maturity Profile	For the year ended March 31, 2017	For the year ended March 31, 2016
Expected benefits for year 1	**21**	1
Expected benefits for year 2	**32**	4
Expected benefits for year 3	**46**	66
Expected benefits for year 4	**61**	108
Expected benefits for year 5 and above	**741**	4,588

The average duration of the defined benefit plan obligation at the end of the reporting period is 19.53 years (March 31, 2016: 11.86 years).

b. Defined contribution plans:

During the year, the Company has recognised the following amounts in the statement of profit and loss:

₹ in '000

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Employers' contribution to provident and pension fund	**3,071**	1,174
Employers' contribution to superannuation fund	**142**	-
Total	**3,213**	1,174

33. Related party transactions

Related parties of the Company are disclosed below:

List of related parties:

Holding Company

Idea Cellular Limited (ICL)

Directors

Mr. Baldev Raj Gupta

Ms. Tarjani Vakil

Notes forming part of the Financial Statements

Others

Aditya Birla Idea Payments Bank Limited

Trust

Idea Mobile Commerce Services Limited Employee's Group Gratuity Scheme*

*Refer Note 32 for information on transactions with post-employment benefit plans mentioned above.

A) Transactions with Related Party

₹ in '000

Nature of Transaction	ICL	Directors	Others
Expenditure incurred on Company's behalf by	3,115 (240)	- -	415 -
Purchase of Services	13,880 (345)	- -	- -
Sale of Service	18,494 (2,681)	- -	- -
Issue of Shares	601,000 (200,000)	- -	- -
Sitting Fees	- -	147 (125)	- -
Transfer of Employee Liabilities	- -	- -	5,189 -

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

B) Outstanding Balance

₹ in '000

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	ICL	Others	ICL	Others	ICL	Others
Trade receivable	**2,001**	**-**	927	-	-	-
Trade Payable*	**22,551**	**5,189**	3,526	-	-	-

**including amounts collected on behalf of*

34. Segment information

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

Notes forming part of the Financial Statements

35. Financial Instruments

a) Financial Instruments by Category:

₹ in '000

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets						
Current Investments	**104,928**	**-**	110,106	-	29,999	-
Trade Receivables	**-**	**8,578**	-	7,526	-	10,500
Cash and cash equivalents	**-**	**383,989**	-	107,212	-	16,720
Other Receivables	**-**	**166**	-	2,216	-	9,938
Security Deposits	**-**	**102**	-	100	-	100
Loans to employees	**-**	**61**	-	159	-	158
Total Financial Assets	**104,928**	**392,896**	110,106	117,213	29,999	37,416
Financial Liabilities						
Security Deposits	**-**	**6,109**	-	2,055	-	1,020
Trade Payables	**-**	**130,109**	-	113,616	-	10,106
Bank Overdraft	**-**	**10,589**	-	-	-	-
Total Financial Liabilities	**-**	**146,807**	-	115,671	-	11,126

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:

₹ in '000

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Current Investments	104,928	-	-	104,928
Total Financial Assets	**104,928**	**-**	**-**	**104,928**
Total Financial Liabilities	**-**	**-**	**-**	**-**

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

₹ in '000

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Current Investments	110,106	-	-	110,106
Total Financial Assets	**110,106**	**-**	**-**	**110,106**
Total Financial Liabilities	**-**	**-**	**-**	**-**

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

₹ in '000

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Current Investments	29,999	-	-	29,999
Total Financial Assets	**29,999**	**-**	**-**	**29,999**
Total Financial Liabilities	**-**	**-**	**-**	**-**

Notes forming part of the Financial Statements

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
- Trade receivables
- Cash and cash equivalents
- Other receivables
- Loans to employees
- Security Deposits

B. Financial Liabilities
- Trade payables
- Bank Overdraft
- Security Deposits

c) Valuation Technique used to determine fair value

Fair value of unquoted 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.

36. Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade payables. The Company's principal financial assets comprise of investments, cash and bank balance, trade and other receivables.

The Company is exposed to various market risk such as currency risk, price risk and credit 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 deposits and investments. Since the Investments are made in liquid funds which in turn invest in Government and Other Approved Securities, these investments do not pose substantial market volatility risk. Hence no impact has been considered for Sensitivity purpose.

Price risk

The Company invests its surplus funds in debt mutual funds. These comprise of only liquid schemes of mutual funds.

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. Hence no impact has been considered for Sensitivity purpose.

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, foreign exchange transactions and other financial instruments.

The amount is generally collected in 30-45 days and in the event of default can recover the amount from the settlements due. 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 9, 10 and 11.

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 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.

Notes forming part of the Financial Statements

37. Details of Current Investments

Particulars	**As at March 31, 2017**		**As at March 31, 2016**		**As at April 1, 2015**	
	Qty in '000	**₹ '000**	**Qty in '000**	**₹ '000**	**Qty in '000**	**₹ '000**
Birla Sun Life Cash Plus - Growth - Direct	**402**	**104,928**	452	110,106	-	-
Birla Sun Life Savings Fund-Growth-Direct	-	-	-	-	111	29,999
Total	**402**	**104,928**	452	110,106	111	29,999

38. Details of 'Specified Bank Notes' held and transacted during the period November 8, 2016 to December 30, 2016 as provided in the Table below:-

₹ in '000

Particulars	**SBN**	**Other Denomination Notes**	**Total**
Closing Cash in Hand as on November 08, 2016*	48,170	65	**48,235**
(+) Permitted receipts	-	417,986	**417,986**
(-) Permitted payments	-	-	**-**
(-) Amount deposited in Banks	48,170	418,051	**466,221**
Closing Cash in Hand as on December 30, 2016	**-**	**-**	-

*includes amount of ₹ 48,235 thousands pertaining to Distributors on November 8, 2016 collected from retail points as part of Idea Money normal operating cycle and deposited subsequently.

39. The Company has not given any loans, made investments or given guarantee covered under section 186(4) of the Companies Act, 2013.

For and on behalf of the Board

Akshaya Moondra
Director

Himanshu Kapania
Director

Amar Bhosale
Chief Financial Officer

Vineet Choraria
Company Secretary

Place : Mumbai
Date : May 9, 2017

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

₹ in '000

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash Flow from Operating activities		
Profit before tax	**(590,248)**	(225,259)
Adjustments for:		
Gain on Mutual Funds (Including Fair Value Gain/(Loss))	**(20,372)**	(5,358)
Interest income	**(907)**	(31)
Finance costs	**545**	27
Provision for gratuity and compensated absences	**2,593**	1,315
Allowances for doubtful debts and advances	**306**	-
Working capital adjustments		
(Increase)/decrease in trade receivables	**(1,227)**	2,974
(Increase)/decrease in other financial and non-financial assets	**(33,909)**	(354)
Increase/(decrease) in trade payables	**16,493**	103,510
Increase/(decrease) in provisions	**(2,272)**	(243)
Increase/(decrease) in other financial and non-financial liabilities	**265,322**	94,907
Cash flows from operating activities	**(363,676)**	(28,512)
Income tax paid (including TDS) (net)	**2,952**	(6,251)
Net cash flows from operating activities	**(360,724)**	(34,763)
Investing activities		
Proceeds from sale / (purchase) of current investments	**25,550**	(74,749)
Interest received	**907**	31
Net cash flows from / (used in) investing activities	**26,457**	(74,718)
Financing activities		
Proceeds from issue of equity shares	**601,000**	200,000
Interest paid	**(545)**	(27)
Net cash flows from / (used in) financing activities	**600,455**	199,973
Net increase / (decrease) in cash and cash equivalents	**266,188**	90,492
Cash and cash equivalents at the beginning of the year	**107,212**	16,720
Cash and cash equivalents at the end of the year	**373,400**	107,212

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

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

Balances with banks in current accounts	**383,989**	107,212
	383,989	107,212
Less: Bank overdrafts which forms an integral part of cash management system	**10,589**	-
Total	**373,400**	107,212

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

Amar Bhosale
Chief Financial Officer

Vineet Choraria
Company Secretary