

Reliance Jio Digital Services Private Limited

Independent Auditor's Report

**To The Members Of
Reliance Jio Digital Services Private Limited**

Report On The Standalone Financial Statements

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

Management's Responsibility For The Standalone Financial Statements

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

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

Auditors' Responsibility

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

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

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

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

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

Opinion

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

Report On Other Legal And Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act;
 - e) On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”;
 - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position in its financial statements.
 - ii. The Company does not have any foreseeable losses on long-term contracts including derivative contracts, if any, in respect of which any provision is required to be made under the applicable law and Accounting Standards.
 - iii. There are no amounts that are required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“CARO 2016”) issued by the Central Government in terms of Section 143(11) of the Act, we give in the “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Pathak H. D. & Associates**

Chartered Accountants
(Registration No. 107783W)

Mukesh D Mehta

Partner
Membership No.: 43495

Place: Mumbai
Date: 18th April, 2016

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of Reliance Jio Digital Services Private Limited on the standalone financial statements for the year ended March 31, 2016)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Reliance Jio Digital Services Private Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) 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 and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Pathak H. D. & Associates**
Chartered Accountants
(Registration No. 107783W)

Mukesh D Mehta
Partner
Membership No.: 43495

Place: Mumbai
Date: 18th April, 2016

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of Reliance Jio Digital Services Private Limited on the standalone financial statements for the year ended March 31, 2016)

- i. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, all the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. The Company does not have any immovable property and accordingly, the provisions of Clause (i) (c) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- ii. The Company does not have any inventories and accordingly, the provisions of Clause (ii) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- 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. Accordingly, the provisions of Clause (iii) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loan and it has not made any investments or given any guarantee or security on which the provisions of Section 185 and 186 of the Companies Act, 2013 applies. Accordingly, the provisions of Clause (iv) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposit. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- vi. According to the information and explanations given to us, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of activities carried on by the Company and accordingly, the provisions of Clause (vi) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- vii. In respect of statutory dues:
 - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2016 for a period of more than six months from the date of becoming payable.
 - b. There were no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, as applicable, which have not been deposited on account of any dispute.
- viii. The Company has neither taken any loan or borrowing from financial institutions, banks or government nor has it issued any debentures and accordingly, the provisions of Clause (viii) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- ix. To the best of our knowledge and belief and according to the information and explanations given to us, the term loans raised have, prima facie, been applied for the purposes for which they were raised. During the year, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments).
- x. In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of Clause (xii) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Therefore, the provisions of Clause (xiv) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Therefore, the provisions of Clause (xv) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of Clause (xvi) of paragraph 3 of the CARO 2016 are not applicable to the Company.

For **Pathak H. D. & Associates**
Chartered Accountants
(Registration No. 107783W)

Mukesh D Mehta
Partner
Membership No.: 43495
Place: Mumbai
Date: 18th April, 2016

Balance Sheet as at 31st March, 2016

	Note	As at 31st March, 2016	(Rs. in Lakhs) As at 31st March, 2015
I EQUITY & LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	10,00	3,16
(b) Reserves and Surplus	3	(14)	(12)
		<u>9,86</u>	<u>3,04</u>
2 Non - Current Liabilities			
(a) Long Term Borrowings	4	87,00	-
		<u>87,00</u>	<u>-</u>
3 Current Liabilities			
(a) Other Current Liabilities	5	7,49	35,77
		<u>7,49</u>	<u>35,77</u>
TOTAL		<u><u>104,35</u></u>	<u><u>38,81</u></u>
II ASSETS			
1 Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	6	56	-
(ii) Capital Work-in-Progress	7	1	11
(iii) Intangible Assets under Development	7	88,47	34,34
Total		<u>89,04</u>	<u>34,45</u>
(b) Long Term Loans and Advances	8	0	0
		<u>89,04</u>	<u>34,45</u>
2 Current Assets			
(a) Current Investments	9	3,85	-
(b) Cash and Bank Balances	10	1	12
(c) Short Term Loans and Advances	11	11,39	4,24
(d) Other Current Assets	12	6	-
		<u>15,31</u>	<u>4,36</u>
TOTAL		<u><u>104,35</u></u>	<u><u>38,81</u></u>
Significant Accounting Policies	1		
Notes to the Financial Statements	2 - 22		

As per our Report of even date

For and on behalf of the Board

For Pathak H D & Associates

Chartered Accountants

Firm Regn No.: 107783W**Mukesh D Mehta**

Partner

Membership No.: 43495

Place: Mumbai

Date: 18th April, 2016

Sanjay Mashruwala
Director
(DIN: 01259774)**Partha Roy**
Chief Financial Officer
(PAN: ADEPR0508F)**Jyotindra H. Thacker**
Director
(DIN: 00006678)**Vaibhav Y. Kumar**
Manager
(PAN: AEFPV2234Q)**Kiran M.Thomas**
Director
(DIN: 02242745)**Rahul Mukherjee**
Company Secretary
(Membership No.: A26182)

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

	Note	2015-16	(Rs. in Lakhs) 2014-15
INCOME			
I Other Income	13	<u>0</u>	<u>-</u>
Total Revenue		<u><u>0</u></u>	<u><u>-</u></u>
II EXPENDITURE			
Finance Costs (Interest)		<u>0</u>	<u>-</u>
Other expenses	14	<u>2</u>	<u>12</u>
Total Expenses		<u><u>2</u></u>	<u><u>12</u></u>
III Loss for the year		(2)	(12)
IV Earnings per equity share of face value of Rs. 10 each			
Basic and Diluted (in Rupees) (Refer Note 17)		(0.03)	(1.43)
Significant Accounting Policies	1		
Notes to the Financial Statements	2 - 22		

As per our Report of even date

For and on behalf of the Board

For Pathak H D & Associates

Chartered Accountants

Firm Regn No.: 107783W**Mukesh D Mehta**

Partner

Membership No.: 43495

Place: Mumbai

Date: 18th April, 2016

Sanjay Mashruwala
Director
(DIN: 01259774)

Jyotindra H. Thacker
Director
(DIN: 00006678)

Kiran M.Thomas
Director
(DIN: 02242745)

Partha Roy
Chief Financial Officer
(PAN: ADEPR0508F)

Vaibhav Y. Kumar
Manager
(PAN: AEFPV2234Q)

Rahul Mukherjee
Company Secretary
(Membership No.: A26182)

Cash Flow Statement for the year 2015-16

	2015-16	(Rs. in Lakhs) 2014-15
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss before tax as per Profit and Loss Statement	(2)	(12)
Adjusted for		
Fees for increase in authorised capital	-	11
Profit on Sale of Current Investments (Rs. 12,678)	(0)	-
Interest and Finance charges (Rs. 10,329)	0	-
	<u>(0)</u>	<u>11</u>
Operating Loss before Working Capital Changes	(2)	(1)
Adjusted for:		
Trade and Other Receivables	(7,20)	(4,24)
Trade and Other Payables	(2,63)	3,15
Cash Generated from Operations	(9,83)	(1,09)
Net Cash used in Operating Activities (A)	(9,85)	(1,10)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (Including movement in Capital Work in Progress and Intangible Assets Under Development)	(80,25)	(1,83)
Purchase of Investments	(4,02)	-
Sale of Investments	17	-
Net Cash used in Investing Activities (B)	(84,10)	(1,83)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Equity Shares	6,84	3,15
Proceeds from Long Term Borrowings	87,00	-
Fees for increase in Authorised capital	-	(11)
Proceeds from Short Term Borrowings	-	20
Repayment of Short Term Borrowings	-	(20)
Interest and Finance Charges Paid (Rs. 10,329)	0	-
Net Cash from Financing Activities (C)	93,84	3,04
Net Decrease in Cash and Cash Equivalents (A+B+C)	(11)	11
Opening Balance of Cash and Cash Equivalents	12	1
Closing Balance of Cash and Cash Equivalents (Refer Note 10)	1	12

As per our Report of even date

For and on behalf of the Board

For Pathak H D & Associates

Chartered Accountants

Firm Regn No.: 107783W

Mukesh D Mehta

Partner

Membership No.: 43495

Place: Mumbai

Date: 18th April, 2016

Sanjay Mashruwala
Director
(DIN: 01259774)Partha Roy
Chief Financial Officer
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(DIN: 00006678)Vaibhav Y. Kumar
Manager
(PAN: AEFPV2234Q)Kiran M.Thomas
Director
(DIN: 02242745)Rahul Mukherjee
Company Secretary
(Membership No.: A26182)

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

1 SIGNIFICANT ACCOUNTING POLICIES

A BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

B USE OF ESTIMATES

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

C FIXED ASSETS

(i) Tangible Assets

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

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

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

(ii) Intangible Assets

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

D DEPRECIATION AND AMORTISATION

Tangible Assets

Depreciation on fixed assets is provided on straight line method over their useful life and in the manner prescribed in Schedule II to the Companies Act, 2013.

E IMPAIRMENT

The company assesses at each reporting date as to whether there is any indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss is charged to Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

F FOREIGN CURRENCY TRANSACTIONS

(i) Transactions denominated in foreign currency are recorded at the exchange rate prevailing at the time of transaction or that approximates the actual rate on the date of the transaction.

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

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

G INVESTMENTS

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

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

H REVENUE RECOGNITION

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

I BORROWING COSTS

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

J INCOME TAXES

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

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

K PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

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

		(Rs. in Lakhs)	
		As at	As at
		31st March, 2016	31st March, 2015
2 Share Capital			
Authorised Share Capital:			
100,00,000	Equity Shares of Rs. 10 each	10,00	10,00
(1,00,00,000)			
	TOTAL	10,00	10,00
Issued, Subscribed and Paid up:			
1,00,00,000	Equity Shares of Rs. 10 each fully paid up	10,00	3,16
(31,60,000)			
	TOTAL	10,00	3,16

2.1 Terms/ rights attached to Equity Shares:

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to the number of equity shares held by them.

2.2 Reconciliation of number of shares outstanding at the beginning and at the end of the period/year:

Particulars	Equity Shares			
	2015-16		2014-15	
	No. of Shares	(Rs. in Lakhs)	No. of Shares	(Rs. in Lakhs)
No. of shares at the beginning of the year:	31,60,000	3,16	10,000	1
Add: Issue of Shares on right basis	68,40,000	6,84	31,50,000	3,15
No. of shares at the end of the year	1,00,00,000	10,00	31,60,000	3,16

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

Name of Shareholders	As at		As at	
	31st March, 2016		31st March, 2015	
	No. of Shares	% holding	No. of Shares	% holding
Reliance Industrial Investments and Holdings Limited (Holding Company)	10,00,000	100.00%	31,55,000	99.84%
Reliance Tankages Private Limited (Earlier Reliance Elastomers Private Limited since amalgamated with Reliance Tankages Private Limited w.e.f. 18-07-2014)	-	-	5,000	0.16%

3 Reserves and Surplus

		(Rs. in Lakhs)	
		As at	As at
		31st March, 2016	31st March, 2015
As per last Balance Sheet (Previous Year Rs. 28,142)		(12)	(0)
Add: Loss for the year		(2)	(12)
TOTAL		(14)	(12)

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

4 Long Term Borrowings	(Rs. in Lakhs)	
	As at 31st Mar, 2016	As at 31st March, 2015
Loan from Related Party*	87,00	-
TOTAL	87,00	-

* Represents loan taken from Reliance Industrial Investments and Holdings Ltd (Holding Company) carrying rate of interest @ 11.50% p.a. and repayable on or before 31st December, 2017.

5 Other Current Liabilities	(Rs. in Lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
(a) Interest accrued and due on borrowings (Previous Year Rs. 20,795)	57	0
(b) Creditors for Capital Expenditure	6,40	32,62
(c) Other Payables	52	3,15
TOTAL	7,49	35,77

5.1 Other Payables includes statutory dues, etc.

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

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

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

6 TANGIBLE ASSETS

(Rs. in Lakhs)

Description	Gross Block				Depreciation				Net Block	
	As at 1/4/2015	Addi- tions	Deduc- tions/ Adjust- ments	As at 31/3/2016	As at 1/4/2015	For the Year	Deduc- tions/ Adjust- ments	Upto 31/3/2016	As at 31/3/2016	As at 1/4/2015
OWN ASSETS:										
Plant & Equipments	-	31	-	31	-	6	-	6	25	-
Office Equipments	-	35	-	35	-	4	-	4	31	-
Total	-	66	-	66	-	10	-	10	56	-

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

The Company is involved in activities relating to the development of content and other digital services to be offered to its end subscriber and the expenditure towards the same comprises of Capital Work in Progress amounting to Rs. 1 Lakh (Previous Year Rs. 11 Lakhs) and Intangible Assets under Development amounting to Rs. 88,47 Lakhs (Previous Year Rs. 34,34 Lakhs) as per details given below:

7.1 Capital Work-in-Progress comprise of:

- (a) Rs. 1 Lakh (Previous Year Rs. 11 Lakhs) on account of capital goods inventory.

7.2 Intangible Assets under Development comprise of:

- (a) Content of Rs. 13,87 Lakhs (Previous Year Rs. 1,00 Lakhs) and Software License of Rs. 2,03 Lakhs (Previous Year Rs. 99 Lakhs)
- (b) Rs. 72,57 Lakhs (Previous Year Rs. 32,35 Lakhs) on account of Project Development Expenditure

Project Development Expenditure as detailed below:	2015-16	(Rs. in Lakhs) 2014-15
Opening Balance	32,35	-
Add:		
Professional Fees	39,06	32,31
Interest (Previous Year Rs. 20,795)	57	0
Depreciation	10	-
Subscription Fees	36	-
Repairs & Maintenance	9	3
Other Expenses	5	-
Exchange Fluctuation (net) [Previous Year (Rs. 9,029)]	(1)	(0)
Closing Balance	72,57	32,35

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

	As at 31st March, 2016	(Rs. in Lakhs) As at 31st March, 2015
8 Long Term Loans and Advances (Unsecured and Considered Good)		
Security Deposits [Rs. 25,000 (Previous Year Rs. 25,000)]	<u>0</u>	<u>0</u>
TOTAL	<u><u>0</u></u>	<u><u>0</u></u>
9 Current Investment (Carried at lower of cost and fair value)		
Investments in units of Mutual Funds - Unquoted - fully paid up		
22,762 (Previous Year NIL) units of UTI-Money Market Fund-Institutional Plan-Growth (Face value of Rs. 1,000 each)	<u>3,85</u>	<u>-</u>
TOTAL	<u><u>3,85</u></u>	<u><u>-</u></u>
Aggregate value of Unquoted Investment	3,85	-
10 Cash and Bank Balances		
Cash and Cash Equivalents		
Balances with Banks in current accounts	<u>1</u>	<u>12</u>
TOTAL	<u><u>1</u></u>	<u><u>12</u></u>
11 Short Term Loans and Advances (Unsecured and Considered Good)		
(a) Balance with Service Tax Authorities	<u>5,74</u>	<u>-</u>
(b) Other Loans and Advances*	<u>5,65</u>	<u>4,24</u>
TOTAL	<u><u>11,39</u></u>	<u><u>4,24</u></u>
11.1 Other Loans and Advances comprises of CENVAT credit pending for credit availment		
12 Other current assets		
Others*	<u>6</u>	<u>-</u>
TOTAL	<u><u>6</u></u>	<u><u>-</u></u>
* 50% of the franking charges paid on agreements are receivable.		
13 Other income:		
Profit on sale of current investments (Rs. 12,678)	<u>0</u>	<u>-</u>
TOTAL	<u><u>0</u></u>	<u><u>-</u></u>

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

	(Rs. in Lakhs)	
	2015-16	2014-15
14 Other Expenses		
i Rates & taxes (Rs. 36,700)	0	11
ii Payment to Auditors	1	1
iii General Expenses (Previous Year Rs. 22,016)	1	0
TOTAL	2	12

15 The previous year figures have been reworked, regrouped, re-arranged and reclassified wherever necessary to make them comparable with those of current year.

	(Rs. in Lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
16 Commitments (To the extent not provided for)		
(a) Commitments		
(i) Estimated amount of contracts remaining to be executed on Capital account not provided for	148,02	30,77

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

	(Rs. in Lakhs)	
	2015-16	2014-15
18 Earnings Per Share (EPS)		
i. Loss for the year as per Profit and Loss Statement	(2)	(12)
ii. Weighted Average number of equity shares used as denominator for calculating EPS	87,95,683	8,11,836
iii. Basic and Diluted Earnings per share (Rs.)	(0.03)	(1.43)
iv. Face Value per equity share (Rs.)	10	10

19 Related Party Disclosures

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

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Ultimate Holding Company
2	Reliance Industrial Investments and Holdings Limited	Holding Company (From 22nd September 2014) and Associate (till 21st September 2014)
3	Reliance Retail Limited	
4	Reliance Jio Infocomm Limited	Fellow Subsidiary
5	Reliance Corporate IT Park Limited	
6	Reliance Tankages Pvt Limited (Earlier Reliance Elastomers Private Limited since amalgamated with Reliance Tankages Private Limited w.e.f. 18th July, 2014)	Associate (Till 21st September 2014)
7	Sh. Partha Roy (w.e.f. 12th January, 2016)	
8	Sh. Rahul Mukherjee (w.e.f. 13th October, 2015)	Key Managerial Personnel
9	Sh. Vaibhav Y Kumar (w.e.f. 12th January, 2016)	

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

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

(Rs. in Lakhs)

Sr. No.	Nature of Transactions (excluding reimbursements)	Holding Company	Associate	Fellow Subsidiary	Key Managerial Personnel	Total
1	Shares issued and allotted	6,84 (3,15)	-	-	-	6,84 (3,15)
2	Loans taken	87,00 (20)	-	-	-	87,00 (20)
3	Loan Repaid	- (20)	-	-	-	- (20)
4	Purchase of Fixed Assets	-	-	33 (9)	-	33 (9)
5	Professional Fees	-	-	1,09 (31,11)	-	1,09 (31,11)
6	Interest Expense	57 (0)	-	-	-	57 (0)
7	Payment to Key Managerial Personnel	-	-	-	24	24
		-	-	-	-	-
Balances as at 31st March, 2016						
8	Other Payables	57 (0)	-	3,41 (31,94)	-	3,98 (31,94)
9	Share Capital	10,00 (3,15)	-	-	-	10,00 (3,16)
10	Loan taken	87,00 -	-	-	-	87,00 -

Note: Figures in bracket represents previous year's amount.

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

(Rs. in Lakhs)

Particulars	Relationship	2015-16	2014-15
1 Shares issued and allotted			
Reliance Industrial Investments and Holdings Limited	Holding	6,84	3,15
Sub total		6,84	3,15
2 Loan taken			
Reliance Industrial Investments and Holdings Limited	Holding	87,00	20
Sub total		87,00	20
3 Loan Repaid			
Reliance Industrial Investments and Holdings Limited	Holding	-	20
Sub total		-	20
4 Purchase of Fixed Assets			
Reliance Retail Limited (Formerly known as Reliance Fresh Limited)	Fellow Subsidiary	33	9
Sub total		33	9

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

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

Particulars	Relationship	2015-16	2014-15
5 Professional Fees			
Reliance Corporate IT Park Limited	Fellow Subsidiary	1,09	31,11
Sub total		1,09	31,11
6 Interest expense			
Reliance Industrial Investments and Holdings Limited (Previous Year Rs. 20,795)	Holding	57	0
Sub total		57	0
7 Payment to Key Managerial Personnel			
Sh. Partha Roy	Key Managerial Personnel	15	-
Sh. Rahul Mukherjee	Key Managerial Personnel	4	-
Sh. Vaibhav Y Kumar	Key Managerial Personnel	5	-
Sub total		24	-
Balances as at 31st March, 2016			
8 Other Payables			
Reliance Industrial Investments Holdings Limited (Previous Year Rs. 20,795)	Holding	57	0
Reliance Corporate IT Park Limited	Fellow Subsidiary	3,41	31,85
Reliance Retail Limited (Formerly known as Reliance Fresh Limited)	Fellow Subsidiary	-	9
Sub total		3,98	31,94
9 Share Capital			
Reliance Industrial Investments and Holdings Limited (Previous Year Rs. 3,15,50,000)	Holding	10,00	3,15
Reliance Tankages Private Limited (Earlier Reliance Elastomers Private Limited since amalgamated with Reliance Tankages Private Limited w.e.f. 18.07.2014) (Previous Year Rs. 50,000)	Associate	-	1
Sub total		10,00	3,16
10 Loan taken			
Reliance Industrial Investments and Holdings Limited	Holding	87,00	-
Sub total		87,00	-

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

20 Segment Reporting

The company has not yet commenced commercial operations and hence disclosure as per Accounting Standards 17 “Segment Reporting” issued by Institute of Chartered Accountants of India and prescribed by Companies (Accounting Standards) Rules, 2006 are not applicable.

	2015-16	(Rs. in Lakhs) 2014-15
21 Payment to Auditors		
i Statutory Audit Fees (Previous Year Rs. 20,000)	1	0
ii Certification and Consultation Fees [Current Year Rs. 20,000 (Previous Year Rs. 20,000)]	0	0
TOTAL	1	0

	2015-16	(Rs. in Lakhs) 2014-15
22 Expenditure in foreign currency		
i Intangible Assets under Development	91	99
ii Professional Fees	-	30
iii Other Project expenses	17	3
TOTAL	1,08	1,32

As per our Report of even date

For Pathak H D & Associates

Chartered Accountants

Firm Regn No.: 107783W

Mukesh D Mehta

Partner

Membership No.: 43495

Place: Mumbai

Date: 18th April, 2016

For and on behalf of the Board

Sanjay Mashruwala
Director
(DIN: 01259774)

Jyotindra H. Thacker
Director
(DIN: 00006678)

Kiran M.Thomas
Director
(DIN: 02242745)

Partha Roy
Chief Financial Officer
(PAN: ADEPR0508F)

Vaibhav Y. Kumar
Manager
(PAN: AEFPV2234Q)

Rahul Mukherjee
Company Secretary
(Membership No.: A26182)