

**Reliance Jio Messaging Services
Private Limited**

Independent Auditor's Report

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

Report On The Standalone Financial Statements

We have audited the accompanying standalone financial statements of Reliance Jio Messaging 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 Messaging 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 Messaging 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 Messaging Services Private Limited on the standalone financial statements for the year ended March 31, 2016)

- i. The Company does not have any fixed assets and accordingly, the provisions of Clause (i) 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. There are no loans, secured or unsecured, granted by the Company 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 loans from financial institutions, banks, 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, during the year the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) or term loan and accordingly, the provisions of Clause (ix) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- 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, during the year no managerial remuneration has been paid or provided by the Company. Therefore, the provisions of Clause (xi) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- 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, during the year the Company has made private placement of equity shares in compliance with Section 42 of the Companies Act, 2013 and the amounts raised by way of aforesaid issue of shares have been used for the purposes for which the funds were raised. The Company has not issued any debentures.
- 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	As at 31st March, 2015	(Rs. in Lakhs)
I EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share Capital	2	97,33	55	
(b) Reserves and Surplus	3	(1,41)	(41)	
		95,92		14
2 Non - current liabilities				
Long term provisions	4	14	-	-
3 Current Liabilities				
(a) Other Current Liabilities	5	11,59	0	
(b) Short term provisions	6	14	-	
		11,73		0
TOTAL		107,79		14
II ASSETS				
1 Non-Current Assets				
(a) Fixed Assets				
Intangible Assets under Development	7	63,39	-	
(b) Long Term Loans and Advances	8	47	1	
		63,86		1
2 Current Assets				
(a) Current Investments	9	36,38	12	
(b) Cash and Bank Balances	10	10	1	
(c) Short-term Loans and Advances	11	7,45	0	
		43,93		13
TOTAL		107,79		14
Significant Accounting Policies	1			
Notes to the Financial statements	2-22			

As per our Report of even date

For Pathak H D & Associates

Chartered Accountants

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

Partner

Membership No.: 43495

Place: Mumbai

Date: 18th April, 2016

For and on behalf of the Board

Akash M. Ambani

Director

(DIN: 06984194)**Pankaj M. Pawar**

Director

(DIN: 00085077)**Rahul Razdan**

Chief Executive Officer

(PAN: AFDPR5030B)**Rajendra M. Kamath**

Director

(DIN: 01115052)**Chaitali Sengupta**

Director

(DIN: 07091774)**Ketan Mody**

Chief Financial Officer

(PAN: AABPM9782A)

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

	Note	2015-16	(Rs. in Lakhs) 2014-15
INCOME			
I	Other Income	12	0
	Total Revenue	<u>1,35</u>	<u>0</u>
II EXPENDITURE			
	Finance Cost (Interest Others) (Rs. 252)	0	-
	Other Expenses	13	41
	Total Expenses	<u>2,35</u>	<u>41</u>
III	Loss for the year	(1,00)	(41)
IV	Tax expenses		
	(i) Tax for earlier years (Rs. 730)	0	-
V	Loss for the year	(1,00)	(41)
VI	Earnings per equity share of face value of Rs. 10 each		
	(i) Basic and Diluted (in Rupees) (Refer Note 18)	(0.22)	(35.69)
	Significant Accounting Policies	1	
	Notes to the Financial statements	2-22	

As per our Report of even date

For Pathak H D & Associates
Chartered Accountants
Firm Registration No.: 107783W

Mukesh D Mehta
Partner
Membership No.: 43495

Place: Mumbai
Date: 18th April, 2016

For and on behalf of the Board

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Director
(DIN: 01115052)

Chaitali Sengupta
Director
(DIN: 07091774)

Ketan Mody
Chief Financial Officer
(PAN: AABPM9782A)

Cash Flow Statement for the year 2015-16

	2015-16	2014-15
	(Rs. in Lakhs)	
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per Profit and Loss Statement	(1,00)	(41)
Adjusted for:		
Fees for increase in authorised share capital	47	2
Interest (Rs. 252)	0	
Profit on Sale of Current Investments (Net)	(1,35)	-
	<u>(88)</u>	<u>2</u>
Operating Loss before Working Capital Changes	(1,88)	(39)
Adjusted for		
Other Receivables (Previous Year Rs. 39,753)	(7,90)	0
Other Payables (Previous Year Rs. 25,000)	2,01	0
	<u>(5,89)</u>	<u>0</u>
Cash Generated from Operations	(7,77)	(39)
Taxes Paid (Rs. 730)	(0)	-
Net cash used in Operating Activities (A)	(7,77)	(39)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Including movement in Intangible Assets under Development)	(30,72)	-
Purchase of Investments	(75,88)	(12)
Sale of Investments	40,97	-
	<u>(65,63)</u>	<u>(12)</u>
Net Cash used in Investing Activities (B)	(65,63)	(12)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	73,96	50
Fees for increase in Authorised Share Capital	(47)	(2)
Finance Cost (Interest others)	(0)	-
	<u>73,49</u>	<u>48</u>
Net Cash from Financing Activities (C)	73,49	48
Net Increase/ (Decrease) in Cash and Cash Equivalents	9	(3)
Opening Balance of Cash and Cash Equivalents	1	4
Closing Balance of Cash and Cash Equivalents (Refer Note 10)	10	1

As per our Report of even date

For Pathak H D & Associates

Chartered Accountants

Firm Registration No.: 107783W

Mukesh D Mehta

Partner

Membership No.: 43495

Place: Mumbai

Date: 18th April, 2016

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(DIN: 07091774)

Ketan Mody

Chief Financial Officer

(PAN: AABPM9782A)

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

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 financial statements are prudent and reasonable.

C FIXED ASSETS

(i) Tangible Assets

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

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

Projects under which assets are not ready for their intended use are 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. Software is amortized over a period of five years on straight line basis.

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.
- (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.

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

- (iv) 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 EMPLOYEE BENEFITS

(i) Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services. These benefits include performance incentive and compensated absences.

(ii) Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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			
9,80,00,000 Equity Shares of Rs.10 each		98,00	1,00
(10,00,000)			
Total		98,00	1,00
Issued, Subscribed and Paid up:			
9,73,28,000 Equity Shares of Rs.10 each fully paid up		97,33	55
(5,50,000)			
Total		97,33	55

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

Pursuant to the Software License agreement with Bridge Minds Consulting Pte Ltd, 2,28,14,000 shares having a par value of Rs. 10 each were issued and allotted as fully paid without payment being received in cash to the licensor for the original software license and related services and other benefits.

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

Particulars	Equity Shares			
	2015-16		2014-15	
	No. of Shares	(Rs. in Lakhs)	No. of Shares	(Rs. in Lakhs)
No. of shares at the beginning of the year	5,50,000	55	50,000	5
Add: Equity Shares issued on private placement basis and allotted during the year	9,67,78,000	96,78	5,00,000	50
No. of shares at the end of the year	9,73,28,000	97,33	5,50,000	55

2.4 Details of Shareholders holding more than 5% shares in the company including those held by Holding company:

Particulars	Equity Shares			
	As at		As at	
	31st March, 2016		31st March, 2015	
	No. of Shares	% holding	No. of Shares	% holding
Reliance Industries Limited (Holding Company)	7,45,14,000	76.56%	5,50,000	100%
Bridge Minds Consulting Pte Ltd (Joint Venturer)	2,28,14,000	23.44%	NIL	NIL

		(Rs. in Lakhs)	
		As at	As at
		31st March, 2016	31st March, 2015
3 RESERVES AND SURPLUS			
Profit and Loss Statement			
As per Last Balance Sheet		(41)	(0)
Add: (Loss) for the year		(1,00)	(41)
Total		(1,41)	(41)

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

		(Rs. in Lakhs)	
4 LONG TERM PROVISIONS	As at	As at	
	31st Mar, 2016	31st March, 2015	
Provision for employee benefits	<u>14</u>	-	
Total	<u><u>14</u></u>	<u>-</u>	

		(Rs. in Lakhs)	
5 OTHER CURRENT LIABILITIES	As at	As at	
	31st March, 2016	31st March, 2015	
Other Payables (Previous Year Rs. 39,045)	<u>11,59</u>	0	
Total	<u><u>11,59</u></u>	<u>0</u>	

5.1 Other Payables include Creditors for capital expenditure amounting to Rs. 9,86 Lakhs, 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	As at	
	31st March, 2016	31st March, 2015	
1. Principal amount due and remaining unpaid	-	-	
2. Interest due thereon	-	-	
3. Interest paid by the Company on all delayed payments under the MSMED Act.	-	-	
4. Payment made beyond the appointed day during the year	-	-	
5. Interest due and payable for the period of delay other than (3) above	-	-	
6. Interest accrued and remaining unpaid	-	-	
7. Further Interest remaining due and payable in succeeding years	<u>-</u>	<u>-</u>	
	<u><u>-</u></u>	<u><u>-</u></u>	

		(Rs. in Lakhs)	
6 SHORT TERM PROVISIONS	As at	As at	
	31st March, 2016	31st March, 2015	
Provision for employee benefits	<u>14</u>	-	
Total	<u><u>14</u></u>	<u>-</u>	

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

7 INTANGIBLE ASSETS UNDER DEVELOPMENT

The Company is involved in activities relating to the development of messaging applications and related services to be offered to its end subscriber and the expenditure towards the same comprises of Intangible Assets under Development amounting to Rs. 63,39 Lakhs (Previous Year NIL) and includes:

(a) Rs. 33,16 Lakhs (Previous Year NIL) on account of Project Development Expenditure

Project Development Expenditure as detailed below:

	2015-16	(Rs. in Lakhs) 2014-15
Opening Balance	-	-
Add: Salaries and Wages	5,83	-
Contribution to Provident and other Funds	25	-
Staff Welfare Expenses	20	-
Travelling Expenses	1,50	-
Professional Fees	22,60	-
Rent	76	-
Exchange Difference (net)	8	-
Other Expenses	1,94	-
Closing Balance	33,16	-

8 LONG TERM LOANS AND ADVANCES

(Unsecured and considered good)

	As at 31st March, 2016	(Rs. in Lakhs) As at 31st March, 2015
Deposits (Previous Year Rs. 50,000)	47	0
Total	47	0

9 CURRENT INVESTMENTS

(Carried at lower of cost and fair value)

Investment in Mutual Funds - Unquoted, Fully Paid up

1,54,565 Units (Previous Year 555 units) of SBI-Premier Liquid Fund - Growth Option (Face value of Rs. 1,000 each)

	As at 31st March, 2016	(Rs. in Lakhs) As at 31st March, 2015
	36,38	12
Total	36,38	12
Aggregate value of Unquoted Investment	36,38	12

10 CASH AND BANK BALANCES

Cash and Cash Equivalents

Balance with a Bank in Current Account

	As at 31st March, 2016	(Rs. in Lakhs) As at 31st March, 2015
	10	1
Total	10	1

11 SHORT TERM LOANS AND ADVANCES

(Unsecured and considered good)

	As at 31st March, 2016	(Rs. in Lakhs) As at 31st March, 2015
(a) Balance with Service Tax Authorities	4,49	-
(b) Other Loans and Advances* (Previous Year Rs. 247)	2,96	0
Total	7,45	0

* Includes CENVAT credit pending for credit availment, advance to employees, etc.

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

		(Rs. in Lakhs)
	2015-16	2014-15
12 OTHER INCOME		
Interest on Fixed Deposit (Previous Year Rs. 2,355)	-	0
Profit on sale of Current Investments	1,35	-
Total	1,35	0

		(Rs. in Lakhs)
	2015-16	2014-15
13 OTHER EXPENSES		
Network and other Operating Expenses	61	-
Rates & taxes	93	41
Professional Fees	76	-
Payment to Auditors (Previous Year Rs. 25,000) (Refer Note 21)	1	0
General expenses (Previous Year Rs. 12,342)	1	0
Telephone Expenses	3	-
Printing & Stationery (Rs. 2,199)	0	-
Total	2,35	41

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

		(Rs. in lakhs)
	As at	As at
	31st March, 2016	31st March, 2015
15 Commitments		
(To the extent not provided for)		
(a) Commitments		
(i) Estimated amount of contracts remaining to be executed on Capital account not provided for	22,44	-

16 As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:

		(Rs. in lakhs)
Particulars	2015-16	2014-15
Employer's Contribution to Provident Fund	20	-
Employer's Contribution to Superannuation Fund	-	-
Employer's Contribution to Pension Fund	4	-

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

Defined Benefit Plan

	(Rs. in lakhs)			
	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Defined Benefit obligation at beginning of the year	-	-	-	-
Add: Transfers	-	-	-	-
Current Service Cost	15	-	15	-
Interest Cost	-	-	-	-
Actuarial (gain)/loss	-	-	-	-
Benefits paid	-	-	(2)	-
Defined Benefit obligation at year end	15	-	13	-

	(Rs. in lakhs)			
	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2016	2015	2016	2015
Fair value of Plan assets at beginning of the year	-	-	-	-
Add: Transfers	-	-	-	-
Expected return on plan assets	-	-	-	-
Actuarial gain / (loss)	-	-	-	-
Employer contribution	-	-	-	-
Benefits paid	-	-	-	-
Fair value of Plan assets at year end	-	-	-	-
Actual Return on plan assets	-	-	-	-

	(Rs. in lakhs)			
	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	As at 31st March		As at 31st March	
	2016	2015	2016	2015
Fair value of Plan assets	-	-	-	-
Present value of obligation	15	-	13	-
Amount recognised in Balance Sheet	(15)	-	(13)	-

	(Rs. in lakhs)			
	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Current Service Cost	15	-	15	-
Interest Cost	-	-	-	-
Expected return on Plan assets	-	-	-	-
Actuarial (gain) / loss	-	-	-	-
Other Transfer	-	-	-	-
Net Cost	15	-	15	-

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

V) Investment Details:	As at 31st March, 2016	(Rs. in lakhs)
	(Rs. in lakh) % invested	As at 31st March, 2015 (Rs. in lakh) % invested

-

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

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

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

VII) Amounts recognised in current year and previous four years (Rs. in lakhs)

Particulars	As at 31st March				
	2016	2015	2014	2013	2012
Gratuity					
Defined benefit obligation	15	-	-	-	-
Fair value of plan assets	-	-	-	-	-
(Surplus) / Deficit in the plan	-	-	-	-	-
Actuarial (gain) / loss on plan obligation	-	-	-	-	-
Actuarial (gain) / loss on plan assets	-	-	-	-	-

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

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

18 Earnings Per Share (EPS)	2015-16	2014-15
i. Loss for the year as per Profit and Loss Statement (Rs. in lakhs)	(1,00)	(41)
ii. Weighted Average number of equity shares used as denominator for calculating EPS	4,50,07,191	1,14,384
iii. Basic and Diluted Earnings per share (Rs.)	(0.22)	(35.69)
iv. Face Value per equity share (Rs.)	10	10

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

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	Holding Company
2	Reliance Jio Infocomm Limited	Fellow Subsidiary
3	Reliance Retail Limited	
4	Reliance Corporate IT Park Limited	
5	Bridge Minds Consulting Pte Ltd	Joint Venturer
6	Sh. Ketan Mody (w.e.f. 21st July, 2015)	Key Managerial Personnel
7	Sh. Rahul Razdan (w.e.f. 21st July, 2015)	
8	Ms. Devanshi Thakkar (from 2nd November, 2015 to 28th January, 2016)	

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

(Rs. in lakhs)

Sr. No.	Nature of Transactions (excluding reimbursements)	Holding Company	Joint Venturer	Fellow Subsidiary	Key Managerial Personnel	Total
1	Shares issued and allotted	73,97 (50)	22,81 -	- -	- -	96,78 (50)
2	Purchase of Fixed Assets / Project Development Expenditure	- -	28,19 -	2 -	- -	28,21 -
3	Professional Fees	- -	- -	1 -	- -	1 -
4	Payment to Key Managerial Personnel	- -	- -	- -	1,15 -	1,15 -
Balances as at 31st March, 2016						
5	Share Capital	74,52 (55)	22,81 -	- -	- -	97,33 (55)
6	Other Payables	53 -	- -	4,30 -	- -	4,83 -

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

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

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

Particulars	Relationship	2015-16	2014-15
1 Shares issued and allotted			
Reliance Industries Limited	Holding Company	73,97	50
Bridge Minds Consulting Pte Ltd	Joint Venturer	22,81	-
Sub total		96,78	50
2 Purchase of Fixed Assets /Project Development Expenditure			
Bridge Minds Consulting Pte Ltd	Joint Venturer	28,19	-
Reliance Retail Ltd	Fellow Subsidiary	2	-
Sub total		28,21	-
3 Professional Fees			
Reliance Corporate IT Park Ltd	Fellow Subsidiary	1	-
Sub total		1	-
4 Payment to Key Managerial Personnel			
Sh. Ketan Mody	Key Managerial Personnel	48	-
Sh. Rahul Razdan	Key Managerial Personnel	65	-
Ms. Devanshi Thakkar	Key Managerial Personnel	2	-
Sub total		1,15	-
Balances as at 31st March, 2016			
5 Share Capital			
Reliance Industries Limited	Holding Company	74,52	55
Bridge Minds Consulting Pte Ltd	Joint Venturer	22,81	-
Sub total		97,33	55
6 Other Payables			
Reliance Jio Infocomm Ltd	Fellow Subsidiary	2,36	-
Reliance Industries Limited	Holding Company	53	-
Reliance Corporate IT Park Ltd	Fellow Subsidiary	1,94	-
Sub total		4,83	-

20 Segment Reporting

The Company is involved in activities relating to the development of messaging applications and related services to be offered to its end subscriber. The Company has single segment as per the requirements of Accounting Standard 17 for "Segment Reporting" notified by Companies (Accounting Standard) Rules, 2006. The assets and liabilities of the Company as on 31st March, 2016 predominantly relate to this segment.

