
**Reliance Jio Digital Services
Private Limited
Financial Statements 2016-17**

Independent Auditor's Report

To The Members of Reliance Jio Digital Services Private Limited

Report on the Standalone Ind AS Financial Statements

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

Management's Responsibility for the Standalone Ind AS Financial Statements

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

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

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS 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.

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

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

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

Opinion

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

Other Matters

The comparative financial information of the Company for the year ended 31st March, 2016 and the transition date opening balance sheet as at 1st April, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of above said matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India, in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 Profit and Loss Statement including other comprehensive income, the Cash Flow Statement 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 standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
 - 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 standalone Ind AS 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - (iv) The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Refer Note 22 to the standalone Ind AS financial statements.

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

Mukesh D Mehta
Partner
Membership No.: 043495

Place: Mumbai
Date: April 17, 2017

Independent Auditor's Report

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 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 Ind AS financial statements for the year ended 31st March, 2017)

- 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 Order 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 Order 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 Order 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 Order 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 Order 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 Order 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 31st March, 2017 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 not taken any loan or borrowing from financial institutions, banks or government. During the year the Company has issued debentures and these were repaid entirely.
- 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 Order 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 standalone Ind AS financial statements as required by the applicable accounting standards.

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- 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 Order 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 Order 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 Order are not applicable to the Company.

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

Mukesh D Mehta
Partner
Membership No.: 043495

Place: Mumbai
Date: April 17, 2017

Independent Auditor's Report

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(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 Ind AS financial statements for the year ended 31st March, 2017)

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 31st March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 standalone Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Mukesh D Mehta
Partner
Membership No.: 043495

Place: Mumbai
Date: April 17, 2017

Balance Sheet as at 31st March, 2017

Particulars	Notes	(₹ in lakh)		
		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
ASSETS				
Non - Current Assets				
Property, Plant and Equipment	1	43	56	-
Capital Work-in-progress	1	-	1	11
Intangible Assets under Development	1	485,72	88,47	34,34
Other Non-Current Assets	2	0	0	0
Total Non-Current Assets		486,15	89,04	34,45
Current Assets				
Financial Assets				
Investments	3	-	3,85	-
Cash and Cash Equivalents	4	1,46	1	12
Other Current Assets	5	67,23	11,45	4,24
Total Current Assets		68,69	15,31	4,36
Total Assets		554,84	104,35	38,81
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	6	10,00	10,00	3,16
Other Equity	7	(1,68)	(14)	(12)
Total Equity		8,32	9,86	3,04
Liabilities				
Non - Current Liabilities				
Financial Liabilities				
Borrowings	8	-	87,00	-
Total Non-Current Liabilities		-	87,00	-
Current Liabilities				
Financial Liabilities				
Borrowings	9	508,00	-	-
Other Financial Liabilities	10	32,19	6,97	32,62
Other Current Liabilities	11	6,33	52	3,15
Total Current Liabilities		546,52	7,49	35,77
Total Liabilities		546,52	94,49	35,77
Total Equity and Liabilities		554,84	104,35	38,81

Significant Accounting Policies

See accompanying Notes to the Financial Statements 1 - 24

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

Sanjay Mashruwala
Director
(DIN: 01259774)

Jyotindra H. Thacker
Director
(DIN: 00006678)

Kiran M. Thomas
Director
(DIN: 02242745)

Mukesh D Mehta
Partner
Membership No: 43495

Dhirendra Harilal Shah
Director
(DIN 00004616)

Jagmohanlal Bhamri
Director
(DIN 07169306)

Place: Mumbai
Date: 17th April, 2017

Partha Roy
Chief Financial Officer
(PAN No: ADEPR0508F)

Vaibhav
Manager
(PAN No: AEFPV2234Q)

Rahul Mukherjee
Company Secretary
(Membership No: 26182)

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

	Notes	2016-17	(₹ in lakh) 2015-16
INCOME			
Other Income	12	1,02	0
Total Income		1,02	0
EXPENSES			
Finance Costs (Interest) (Previous Year ₹10,329)		-	0
Depreciation and Amortisation Expense		17	-
Other Expenses	13	2,39	2
Total Expenses		2,56	2
Loss before Tax		(1,54)	(2)
Tax Expenses			
Current Tax (₹ 3,921)		0	-
Loss for the Year		(1,54)	(2)
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		(1,54)	(2)
Earnings per equity share of face value of ₹ 10 each	14		
Basic (in Rupees)		(1,54)	(0.03)
Diluted (in Rupees)		(1,54)	(0.03)
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1 - 24		

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: 17th April, 2017

For and on behalf of the Board

Sanjay Mashruwala
Director
(DIN: 01259774)

Dhirendra Harilal Shah
Director
(DIN 00004616)

Partha Roy
Chief Financial Officer
(PAN No: ADEPR0508F)

Jyotindra H. Thacker
Director
(DIN: 00006678)

Jagmohanlal Bhamri
Director
(DIN 07169306)

Vaibhav
Manager
(PAN No: AEFPV2234Q)

Kiran M. Thomas
Director
(DIN: 02242745)

Rahul Mukherjee
Company Secretary
(Membership No: 26182)

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

		(₹ in lakh)	
(A) Equity Share Capital			
	Balance at the beginning of the reporting period i.e. 1st April, 2015	3,16	
	Changes in equity share capital during the year 2015-16	6,84	
	Balance at the end of the reporting period i.e. 31st March, 2016	10,00	
	Changes in equity share capital during the year 2016-17	-	
	Balance at the end of the reporting period i.e. 31st March, 2017	10,00	
(B) Other Equity			
Particulars		Reserves and Surplus	Total
		Retained Earnings	
As on 31st March, 2016			
	Balance at the beginning of the reporting period i.e. 1st April, 2015	(12)	(12)
	Total Comprehensive Income for the year	(2)	(2)
	Balance at the end of the reporting period i.e. 31st March, 2016	(14)	(14)
As on 31st March, 2017			
	Balance at the beginning of the reporting period i.e. 1st April, 2016	(14)	(14)
	Total Comprehensive Income for the year	(1,54)	(1,54)
	Balance at the end of the reporting period i.e. 31st March, 2017	(1,68)	(1,68)

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: 17th April, 2017

For and on behalf of the Board

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Manager
(PAN No: AEFPV2234Q)

Kiran M. Thomas
Director
(DIN: 02242745)

Rahul Mukherjee
Company Secretary
(Membership No: 26182)

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

	(₹ in lakh)	
	2016-17	2015-16
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit / (Loss) before tax as per Statement of Profit and Loss	(1,54)	(2)
Adjusted for		
Profit on Sale of Current Investments (Previous Year ₹ 12,678)	(1,02)	(0)
Depreciation	17	-
Interest and Finance charges (Previous Year ₹ 10,329)	-	0
	<u>(85)</u>	<u>(0)</u>
Operating Loss before Working Capital Changes	(2,39)	(2)
Adjusted for :		
Trade and Other Receivables	(55,77)	(7,20)
Trade and Other Payables	5,80	(2,63)
	<u>(49,97)</u>	<u>(9,83)</u>
Cash Generated from Operations	(49,97)	(9,83)
Net Cash flow from Operating Activities (A)	(52,36)	(9,85)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Tangible and Intangible Assets (Including movement in Capital Work in Progress and Intangible Assets Under Development)	(369,93)	(80,25)
Purchase of Investments	(391,10)	(4,02)
Sale of Investments	396,94	17
	<u>(364,09)</u>	<u>(84,10)</u>
Net Cash flow (used in) Investing Activities (B)	(364,09)	(84,10)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Equity Shares	-	6,84
Proceeds from Long Term Borrowings	70,00	87,00
Proceeds from Issue of Zero Coupon Optionally Fully Convertible Debentures	300,00	-
Redemption of Zero Coupon Optionally Fully Convertible Debentures	(300,00)	-
Repayment of Long Term Borrowings	(157,00)	-
Proceeds from Short Term Borrowings	508,00	-
Interest and Finance Charges Paid (Previous Year ₹ 31,124)	(3,10)	0
	<u>417,90</u>	<u>93,84</u>
Net Cash flow (used in) Financing Activities (C)	417,90	93,84
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	1,45	(11)
Opening Balance of Cash and Cash Equivalents	1	12
Closing Balance of Cash and Cash Equivalents (Refer Note 4)	1,46	1

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

Sanjay Mashruwala
Director
(DIN: 01259774)

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Vaibhav
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(PAN No: AEFPV2234Q)

Rahul Mukherjee
Company Secretary
(Membership No: 26182)

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

A CORPORATE INFORMATION

Reliance Jio Digital Services Private Limited (“the Company”) is a private limited company incorporated in India. The principal activities of the company are relating to development of content and other digital services to be offered to the end subscribers. The Company’s registered office address is 9th floor, Maker Chamber IV, 222, Nariman Point, Mumbai - 400021, Maharashtra, India. The Company’s immediate holding company is Reliance Industrial Investments and Holdings Limited and ultimate holding company is Reliance Industries Limited.

B ACCOUNTING POLICIES

B.1 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

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

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

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

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

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment:

Property Plant and Equipments is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

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

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

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

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

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

(b) Intangible assets:

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion 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.

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

Expenses incurred relating to project, net of income earned during project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Intangible Assets Under Development.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal

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

proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Software are amortised on straight line method and based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

(c) Finance Cost

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

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

All other borrowing costs are charged to the statement profit and loss in the period in which they are incurred.

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

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

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

(e) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

Current tax

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

Deferred tax

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

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

(f) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits repayable on demand or maturing within three months of the date of acquisition and which are subject to an insignificant risk of change in value.

(g) Foreign Currencies Transactions and Translation

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

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

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss except to the extent that exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings are capitalized as cost of assets under construction.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised as pre-operative expenses and disclosed under Intangible Assets Under Development).

(h) Revenue recognition

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

Revenue is recognised only if following conditions are satisfied:

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

Interest income

Interest income from a financial asset is recognised 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 accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividends

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

(i) Financial Instruments

i) Financial Assets

A. Initial recognition and measurement:

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

B. Subsequent measurement

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

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

c) Financial assets at fair value through profit or loss (FVTPL) A financial asset which is not classified in any of the above categories are measured at FVTPL..

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

ii) Financial liabilities

A. Initial recognition and measurement: All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

B. Subsequent measurement: Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables including creditors for capital expenditure maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C Critical accounting judgements and key sources of estimation uncertainty:

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

a) Depreciation and useful lives of property plant and equipment:

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

b) Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

c) Impairment of non-financial assets:

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

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

D First time adoption of Ind AS:

The Company has adopted Ind AS with effect from 1st April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2015 and all the periods presented have been restated accordingly.

Exemptions from retrospective application:

Fair value as deemed cost exemption:

The Company has elected to measure any item of property, plant and equipment, Capital work in Progress and Intangible Assets under Development at its carrying value at the transition date.

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

₹ in lakh

Description	Gross block					Depreciation					Net block	
	As at 01-04-2015	Impact on Ind AS transition	Additions/ Adjustments	As at 01-04-2016	As at 31-03-2017	As at 01-04-2015	For the year	Deductions/ Adjustments	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015	
Tangible Assets												
Own Assets :												
Plant and Equipments	-	-	31	31	35	-	10	-	19	25	-	-
Office Equipments	-	-	35	35	35	-	7	-	24	31	-	-
Total	-	-	66	66	70	-	17	-	43	56	-	-
Capital Work-in-Progress												
Intangible Assets under Development												
									485.72	88.47	34.34	

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

1. 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 ₹ Nil (Previous Year ₹ 1 Lakh) and Intangible Assets under Development amounting to ₹ 485,72 Lakh (Previous Year ₹ 88,47 Lakh) as per details given below:

1.1 Capital Work-in-Progress comprise of :

(a) NIL (Previous Year ₹ 1 lakh) on account of capital goods inventory.

1.2 Intangible Assets Under Development comprise of :

(a) Content of ₹ 333,91 lakh (Previous Year ₹ 13,87 lakh) and Software License of ₹ 3,61 lakh (Previous Year ₹ 2,03 lakh)

(b) ₹ 148,20 lakh (Previous Year ₹ 72,56 lakh) on account of Project Development Expenditure

Project Development Expenditure as detailed below:

	2016-17	2015-16	2014-15
Opening Balance	72,56	32,34	-
Add :			
Depreciation	-	10	-
Professional Fees	68,83	39,06	32,31
Interest (For 2014-15 ₹ 20,795)	8,14	57	0
Subscription Fees	-	36	-
Repairs & Maintenance	-	9	3
Exchange Fluctuation (net) (For 2014-15 ₹ 9,029)	(3)	(1)	(0)
Other Expenses	17	5	-
Less : - Net Gain arising on sale of current Investments	(97)	-	-
Less : - Other Income*	(50)	-	-
Closing Balance	148,20	72,56	32,34

*Comprises of income from advertisement

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
2 Other Non-Current Assets			
(Unsecured and Considered Good)			
Security Deposits (₹ 25,000, Previous Year ₹ 25,000 and as at 1st April, 2015 ₹ 25,000)	0	0	0
Total	0	0	0

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

	(₹ in lakh)					
	As at		As at		As at	
	31st March, 2017	31st March, 2016	31st March, 2016	31st March, 2016	1st April, 2015	1st April, 2015
	Units	Amount	Units	Amount	Units	Amount
6 Share Capital						
Authorised Share Capital :						
Equity Shares of ₹10 each	1,00,00,000	10,00	1,00,00,000	10,00	1,00,00,000	10,00
		<u>10,00</u>		<u>10,00</u>		<u>10,00</u>
Issued, Subscribed and Paid up:						
Equity Shares of ₹10 each fully paid up	1,00,00,000	10,00	1,00,00,000	10,00	31,60,000	3,16
Total		<u>10,00</u>		<u>10,00</u>		<u>3,16</u>

6.1 Terms/ rights attached to Equity Shares :

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

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

Particulars	As at	As at	As at
	31st March, 2017	31st March, 2016	1st April, 2015
	No. of Shares	No. of Shares	No. of Shares
No. of shares at the beginning of the year	1,00,00,000	31,60,000	10,000
Add: Issue of Shares	-	68,40,000	31,50,000
No. of shares at the end of the year	<u>1,00,00,000</u>	<u>1,00,00,000</u>	<u>31,60,000</u>

6.3 The details of shareholders holding more than 5% shares:

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

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

	As at 31st March, 2017	As at 31st March, 2016	(₹ in lakh) As at 1st April, 2015
7 Other Equity			
Retained Earnings	(1,68)	(14)	(12)
Total	<u>(1,68)</u>	<u>(14)</u>	<u>(12)</u>

	As at 31st March, 2017	As at 31st March, 2016	(₹ in lakh) As at 1st April, 2015
7.1 Retained Earnings			
Balance at beginning of year	(14)	(12)	
Loss for the year	(1,54)	(2)	
Balance at end of year	<u>(1,68)</u>	<u>(14)</u>	<u>(12)</u>

	As at 31st March, 2017	As at 31st March, 2016	(₹ in lakh) As at 1st April, 2015
8 Borrowings			
Unsecured - At Amortised Cost			
Loans from Related Party*	-	87,00	-
Total	<u>-</u>	<u>87,00</u>	<u>-</u>

*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

	As at 31st March, 2017	As at 31st March, 2016	(₹ in lakh) As at 1st April, 2015
9 Borrowings - Current			
Unsecured - At Amortised Cost	-	-	-
Loans from related parties *	508,00	-	-
Total	<u>508,00</u>	<u>-</u>	<u>-</u>

* Represents:

- (i) Loan of ₹ 135,00 Lakh (Previous year Nil) taken from Reliance Strategic Investments Limited carrying rate of interest @ 11.50% p.a. and repayable on or before 31st October, 2017.
- (ii) Loan of ₹ 73,00 Lakh (Previous year Nil) taken from Reliance Ventures Limited carrying rate of interest @ 11.50% p.a. and repayable on or before 31st October, 2017.
- (iii) Loan of ₹ 300,00 Lakh (Previous year Nil) taken from Reliance Industrial Investments & Holdings Limited carrying rate of interest @ 11.50% p.a. and repayable on or before 31st October, 2017.

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

	(₹ in lakh)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
10 Other Financial Liabilities			
Interest accrued but not due on borrowings (As at 1st April, 2015 ₹ 20,795)	5,61	57	0
Creditors for Capital Expenditure	26,58	6,40	32,62
Total	32,19	6,97	32,62

10.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under:

	(₹ in lakh)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Principal amount due and remaining unpaid	-	-	-
Interest due on above and unpaid interest	-	-	-
Interest paid by the Company on all delayed payments under the MSMED Act	-	-	-
Payment made beyond the appointed day during the year	-	-	-
Interest due and payable for the period of delay	-	-	-
Interest accrued and remaining unpaid	-	-	-
Further Interest remaining due and payable in succeeding years	-	-	-
Total	-	-	-

	(₹ in lakh)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
11 Other Current Liabilities			
Other Payables*	6,33	52	3,15
Total	6,33	52	3,15

*Includes statutory dues

	(₹ in lakh)	
	2016-17	2015-16
12 Other Income		
Net Gain arising on sale of current investments		
Realised Gain (Previous year Rs. 12,677)	1,02	0
Unrealised Gain (Previous year Rs. 37,524)	-	0
Total	1,02	0

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

	(₹ in lakh)	
	2016-17	2015-16
13 Other Expenses		
Rates and taxes (Previous Year ₹ 36,700)	5	0
Professional Fees	1,42	-
Payment to Auditors	2	1
Subscription Fees	81	-
Printing and Stationery	1	-
General Expenses	8	1
Total	2,39	2

	(₹ in lakh)	
	2016-17	2015-16
14 EARNINGS PER SHARE (EPS)		
i. Loss for the year as per Statement of Profit and Loss (₹ in lakh)	(1,54)	(2)
ii. Weighted Average number of equity shares used as denominator for calculating EPS	1,00,00,000	87,95,683
iii. Basic Earnings per share (₹)	(1.54)	(0.02)
iv. Diluted Earnings per share (₹)	(1.54)	(0.02)
v. Face Value per equity share (₹)	10	10

15 Deferred Tax Assets (net) of Rs. 53 lakh on account of carried forward losses is not recognised on consideration of prudence.

16 RELATED PARTY DISCLOSURES

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

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

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Ultimate Holding Company
2	Reliance Industrial Investments and Holdings Limited	Holding Company (from 7th January 2015) and Associate (till 6th January 2015)
3	Reliance Retail Limited (Formerly known as Reliance Fresh Limited)	Fellow Subsidiary
4	Reliance Jio Infocomm Limited	
5	Reliance Corporate IT Park Limited	
6	Reliance Ventures Limited	
7	Reliance Strategic Investments Limited	
8	Partha Roy (w.e.f. 12th January, 2016)	Key Managerial Personnel
9	Rahul Mukherjee (w.e.f. 13th October, 2015)	
10	Vaibhav Y Kumar (w.e.f. 12th January, 2016)	

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

(ii) Transactions during the year with related parties

(₹ in lakh)

Sr. No	Nature of Transactions (excluding reimbursements)	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Total
1	Shares issued and allotted	-	-	-	-	-
		-	(6,84)	-	-	(6,84)
2	Debentures issued and allotted	-	300,00	-	-	300,00
		-	-	-	-	-
3	Debentures Redeemed	-	300,00	-	-	300,00
		-	-	-	-	-
4	Loan taken	-	370,00	208,00	-	578,00
		-	(87,00)	-	-	(87,00)
5	Loan repaid	-	157,00	-	-	157,00
		-	-	-	-	-
6	Purchase of Fixed Assets	-	-	3	-	3
		-	-	(33)	-	(33)
7	Interest expense	-	2,81	5,33	-	8,14
		-	(57)	-	-	(57)
8	Professional Fees	-	-	1,96	-	1,96
		-	-	(1,09)	-	(1,09)
9	Payment to Key Managerial Personnel	-	-	-	1,27	1,27
		-	-	-	(24)	(24)
	Balances as at 31st March, 2017					(₹ in lakh)
10	Share Capital	-	10,00	-	-	10,00
		-	(10,00)	-	-	(10,00)
11	Loan taken	-	300,00	208,00	-	508,00
		-	(87,00)	-	-	(87,00)
12	Creditors for Capital Expenditure	34	-	22,47	-	22,47
		-	-	(3,41)	-	(3,41)
13	Interest accrued but not due	-	28	5,33	-	5,61
		-	(57)	-	-	(57)
14	Other Payables	-	-	1,42	-	1,42
		-	-	-	-	-

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

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

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

Particulars	Relationship	(₹ in lakh)	
		2016-17	2015-16
1 Shares issued and allotted			
Reliance Industrial Investments and Holding Limited	Holding	-	6,84
2 Debentures issued and allotted			
Reliance Industrial Investments and Holding Limited	Holding	300,00	-
3 Debentures Redeemed			
Reliance Industrial Investments and Holding Limited	Holding	300,00	-
4 Loan Taken			
Reliance Industrial Investments and Holding Limited	Holding	370,00	87,00
Reliance Strategic Investments Limited	Fellow Subsidiary	135,00	-
Reliance Ventures Limited	Fellow Subsidiary	73,00	-
5 Loan Repaid			
Reliance Industrial Investments and Holding Limited	Holding	157,00	-
6 Purchase of Fixed Assets			
Reliance Retail Limited (Formerly known as Reliance Fresh Limited)	Fellow Subsidiary	3	33
7 Interest paid			
Reliance Industrial Investments and Holding Limited	Holding	2,81	57
Reliance Strategic Investments Limited	Fellow Subsidiary	5,22	-
Reliance Ventures Limited	Fellow Subsidiary	11	-
8 Professional Fees			
Reliance Corporate IT Park Limited	Fellow Subsidiary	1,96	1,09
9 Payment to Key Managerial Personnel			
Sh. Partha Roy	Key Managerial Personnel	85	15
Sh. Rahul Mukherjee	Key Managerial Personnel	9	4
Sh. Vaibhav Y Kumar	Key Managerial Personnel	33	5

Balances as at 31st March, 2017

Particulars	Relationship	(₹ in lakh)		
		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
10 Share Capital				
Reliance Industrial Investments and Holdings Limited	Holding	10,00	10,00	3,15
Reliance Tankages Pvt Limited (Earlier Reliance Elastomers Private Limited since amalgamated with Reliance Tankages Private Limited w.e.f. 18th July, 2014) (As at 1st Apr' 15 ₹ 50,000)	Associate	-	-	1
11 Loan taken				
Reliance Industrial Investments and Holdings Limited	Holding	300,00	87,00	-
Reliance Strategic Investments Limited	Fellow Subsidiary	135,00	-	-
Reliance Ventures Limited	Fellow Subsidiary	73,00	-	-

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

Particulars	Relationship	(₹ in lakh)		
		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
12 Creditors for Capital Expenditure				
Reliance Corporate IT Park Limited	Fellow Subsidiary	22,21	3,41	31,85
Reliance Jio Infocomm Limited	Fellow Subsidiary	26	-	-
Reliance Industries Limited	Ultimate Holding	34	-	-
Reliance Retail Limited	Fellow Subsidiary	-	-	9
13 Interest accrued but not due				
Reliance Industrial Investments and Holdings Limited (₹ 20,795)	Holding	28	57	0
Reliance Strategic Investments Limited	Fellow Subsidiary	5,22	-	-
Reliance Ventures Limited	Fellow Subsidiary	11	-	-
14 Other Payables				
Reliance Corporate IT Park Limited	Fellow Subsidiary	69	-	-
Reliance Jio Infocomm Limited	Fellow Subsidiary	73	-	-

*All related party contracts/arrangements have been entered on arms length basis.

16.1 Compensation of Key Management Personnel

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

Relationship	(₹ in lakh)	
	2016-17	2015-16
i) Short-term benefits	1,22	21
ii) Post employment benefits	5	3
iii) Other long term benefits	-	-
iv) Share based payments	-	-
v) Termination benefits	-	-
Total	1,27	24

17 COMMITMENTS	(₹ in lakh)	
	As at 31st March, 2017	As at 31st March, 2016
Commitments		
(i) Estimated amount of contracts remaining to be executed on Capital account not provided for	171,90	148,02

18 CAPITAL MANAGEMENT

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

- Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.
- Proactively manage group exposure in forex, interest and commodities to mitigate risk to earnings.
- Leverage optimally in order to maximize shareholder returns while maintaining strength and flexibility of the Balance sheet.

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

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

Gearing Ratio

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

	As at 31st Mar'17	As at 31st Mar'16	(₹ in lakh) As at 1st Apr'15
Gross Debt	508,00	87,00	-
Cash and cash equivalent	1,46	1	-
Net Debt (A)	506,54	86,99	-
Total Equity (As per Balance Sheet) (B)	8,32	9,86	-
Net Gearing (A/B) %	60,90	8,82	-

19 FINANCIAL INSTRUMENTS

Valuation

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

- The fair value of investment in Mutual Funds is measured at NAV.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Fair Value Measurement Hierarchy:

Particulars	As at 31st March, 2017			As at 31st March, 2016			As at 1st April, 2015		
	Carrying Amount	Level of input used in		Carrying Amount	Level of input used in		Carrying Amount	Level of input used in	
		Level 1	Level 2		Level 1	Level 2		Level 1	Level 2
Financial Assets									
At Amortised Cost									
Trade Receivables	-	-	-	-	-	-	-	-	-
Cash and Bank Balance	1,46	-	-	1	-	-	12	-	-
At FVTPL									
Investments	-	-	-	3,85	3,85	-	-	-	-
Financial Liabilities									
At Amortised Cost									
Borrowings	508,00	-	-	87,00	-	-	-	-	-
Creditors for Capital expenditure	26,58	-	-	6,40	-	-	32,62	-	-
Other Financial Liabilities (₹ 20,795)	5,61	-	-	57	-	-	0	-	-
At FVTPL									
Financial Derivatives	-	-	-	-	-	-	-	-	-

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

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

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

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

Interest Rate Risk

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows

Particulars	Interest rate exposure		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Loans			
Long Term Fixed Rate Loan	-	87,00	-
Short Term Loan	508,00	-	-
Total	508,00	87,00	-

There is no impact on Interest expenses for the year on 1% change in Interest rate since the borrowings are at fixed rate.

Credit risk

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

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

Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The Company will ensure that sufficient liquidity is available to meet all of its commitments by raising loans or arranging other facilities as and when required from group companies.

Particulars	Maturity Profile of Loans as on 31 March, 2017						Grand Total
	Less than equal to 3 months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	
Non Derivative Liabilities							
Long term Borrowings	-	-	-	-	-	-	-
Short term Borrowings	-	-	508,00	-	-	-	508,00
Total Borrowings	-	-	508,00	-	-	-	508,00

Particulars	Maturity Profile of Loans as on 31 March, 2016						Grand Total
	Less than equal to 3 months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	
Non Derivative Liabilities							
Long term Borrowings	-	-	-	87,00	-	-	87,00
Short term Borrowings	-	-	-	-	-	-	-
Total Borrowings	-	-	-	87,00	-	-	87,00

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

20 SEGMENT REPORTING

The company is involved in activities relating to development of content and other digital services to be offered to the end subscribers. The Company has single segment as per the requirements of Ind AS 108 for "Operating Segment". The assets and liabilities of the Company as on 31st March, 2017 predominantly relate to this segment.

	(₹ in lakh)	
	2016-17	2015-16
21 PAYMENT TO AUDITORS		
i Statutory Audit Fees	1	1
ii Certification and Consultation Fees (Previous Year ₹ 20,000)	1	0
Total	<u>2</u>	<u>1</u>

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

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

The Company did not have any dealings in Specified Bank Notes.

23 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by board of directors on 17th April, 2017

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

24 FIRST TIME IND AS ADOPTION RECONCILIATIONS

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

((₹ in lakh)

	As at 31st March 2016			As at 1st April 2015		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
ASSETS						
Non - Current Assets						
Property, Plant and Equipment	56	-	56	-	-	-
Capital Work-in-progress	1	-	1	11	-	11
Intangible Assets under Development	88,47	-	88,47	34,34	-	34,34
Other Non-Current Assets	0	-	0	0	-	0
Total Non-Current Assets	89,04	-	89,04	34,45	-	34,45
Current Assets						
Financial Assets						
Investments	3,85	0	3,85	-	-	-
Cash and Cash Equivalents	1	-	1	12	-	12
Other Current Assets	11,45	-	11,45	4,24	-	4,24
Total Current Assets	15,31	0	15,31	4,36	-	4,36
Total Assets	104,35	0	104,35	38,81	-	38,81
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	10,00	-	10,00	3,16	-	3,16
Other Equity	(14)	0	(14)	(12)	-	(12)
Total Equity	9,86	0	9,86	3,04	-	3,04
Liabilities						
Non - Current Liabilities						
Financial Liabilities						
Borrowings	87,00	-	87,00	-	-	-
Total Non-Current Liabilities	87,00	-	87,00	-	-	-
Current Liabilities						
Financial Liabilities						
Other Financial Liabilities	6,97	-	6,97	32,62	-	32,62
Other Current Liabilities	52	-	52	3,15	-	3,15
Total Current Liabilities	7,49	-	7,49	35,77	-	35,77
Total Liabilities	94,49	-	94,49	35,77	-	35,77
Total Equity and Liabilities	104,35	0	104,35	38,81	-	38,81

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

24.2 Reconciliation of Profit and other Equity between Ind AS and Previous GAAP

(₹ in lakh)

Sr No	Nature of adjustments	Notes	Net Loss	Other Equity	
			Year ended 31st March 2016	As at 31st March 2016	As at 1st April 2015
	Net Profit or (Loss) / Other Equity as per Previous Indian GAAP	(2)	(14)	(12)	
1	Fair valuation of Investments (₹ 37,525)	I	0	0	-
	Total		0	0	-
	Net profit or (Loss) before OCI / Other Equity as per Ind AS		(2)	(14)	(12)

Notes

I Fair valuation of Investments:

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

24.3 Effect of Ind AS adoption on the statement of profit and loss for the year ended 31st March, 2016

(₹ in lakh)

	Year ended 31st March 2016		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
INCOME			
Other Income	0	0	0
Total Income	0	0	0
EXPENSES			
Finance Costs (Interest) (₹ 10,329)	0	-	0
Other expenses	2	-	2
Total Expenses	2	-	2
Loss for the year	(2)	0	(2)

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: 17th April, 2017

For and on behalf of the Board

Sanjay Mashruwala
Director
(DIN: 01259774)

Dhirendra Harilal Shah
Director
(DIN 00004616)

Partha Roy
Chief Financial Officer
(PAN No: ADEPR0508F)

Jyotindra H. Thacker
Director
(DIN: 00006678)

Jagmohanlal Bhamri
Director
(DIN 07169306)

Vaibhav
Manager
(PAN No: AEFPV2234Q)

Kiran M. Thomas
Director
(DIN: 02242745)

Rahul Mukherjee
Company Secretary
(Membership No: 26182)