

IDEA CELLULAR SERVICES LIMITED  
ANNUAL REPORT 2015-16



# IDEA CELLULAR SERVICES LIMITED

## Independent Auditors' Report

To the Members of  
Idea Cellular Services Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of **Idea Cellular Services Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for 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 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, as applicable.

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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- As required by Section 143 (3) of the Act, we report that:
  - 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.
  - 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.
  - 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.
  - In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
  - On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - 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:
    - The Company does not have any pending litigations which would impact its financial position;
    - The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

### For DELOITTE HASKINS & SELLS LLP

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Khurshed Pastakia**  
Partner  
(Membership No. 31544)

Place : Mumbai  
Date : 26<sup>th</sup> April, 2016

## “Annexure A” To The Independent Auditors’ Report

(Referred to in paragraph “1(f)” under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

1. We have audited the internal financial controls over financial reporting of **Idea Cellular Services Limited** (“the Company”) as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

2. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors’ Responsibility

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

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

4. 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

5. 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

6. 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 31<sup>st</sup> March, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### For DELOITTE HASKINS & SELLS LLP

Chartered Accountants  
(Firm’s Registration No. 117366W/W-100018)

### Khurshed Pastakia

Partner  
(Membership No. 31544)

Place : Mumbai  
Date : 26<sup>th</sup> April, 2016

## “Annexure B” To The Independent Auditors’ Report

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

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable
- ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under section 189 of the Companies Act, 2013.
- iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.
- v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence reporting under clause (v) of the Order is not applicable.
- vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- vii) According to information and explanations given to us, in respect of statutory dues:
  - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Service Tax and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the Company did not have any dues on account of Customs Duty, Sales Tax / Value Added Tax, Excise duty and Cess.
  - b) There were no undisputed amount payable in respect of Provident Fund, Employees’ State Insurance, Income Tax, Service Tax and other material statutory dues in arrears, as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they became payable.
  - c) There are no dues of Income tax and Service Tax which have not been deposited on account of any dispute.
- viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the Company has neither paid nor provided for 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) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm’s Registration No. 117366W/W-100018)

**Khurshed Pastakia**

Partner

(Membership No. 31544)

Place : Mumbai

Date : 26<sup>th</sup> April, 2016

# IDEA CELLULAR SERVICES LIMITED

## Balance Sheet as at March 31, 2016

₹ in '000

Particulars	Note	As at March 31, 2016	As at March 31, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	500	500
Reserves and Surplus	4	2,945	(2,571)
		3,445	(2,071)
<b>Non-Current Liabilities</b>			
Provision for Leave Encashment		24,678	21,872
		24,678	21,872
<b>Current Liabilities</b>			
Trade Payables		93,121	76,649
Other Current Liabilities		8,411	7,849
Provision for Leave Encashment		6,140	4,447
		107,672	88,945
<b>TOTAL</b>		<b>135,795</b>	<b>108,746</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	5	-	-
Deferred Tax Assets	6	10,583	8,892
Long-Term Loans and Advances	7	18,682	18,174
		29,265	27,066
<b>Current Assets</b>			
Trade Receivables	8	87,275	71,571
Cash and Cash Equivalents	9	2,523	752
Short-Term Loans and Advances	10	16,732	9,357
		106,530	81,680
<b>TOTAL</b>		<b>135,795</b>	<b>108,746</b>
<b>Significant Accounting Policies</b>	2		
The accompanying notes are an integral part of the Financial Statements			

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**For and on behalf of the Board**

**Khurshed Pastakia**  
Partner  
Membership No.: 31544

**Akshaya Moondra**  
Director

**Himanshu Kapania**  
Director

Place : Mumbai  
Date : April 26, 2016

# IDEA CELLULAR SERVICES LIMITED

## Statement of Profit & Loss Account for the year ended March 31, 2016

₹ in '000

Particulars	Note	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>INCOME</b>			
Service Revenue		1,511,110	1,335,673
Miscellaneous Receipts		4,575	3,116
<b>TOTAL</b>		<b>1,515,685</b>	<b>1,339,759</b>
<b>OPERATING EXPENDITURE</b>			
Personnel Expenditure	11	1,277,174	1,123,069
Administration & Other Expenses	12	230,208	208,257
		<b>1,507,382</b>	<b>1,331,326</b>
<b>PROFIT BEFORE INTEREST, DEPRECIATION &amp; TAXES</b>		<b>8,303</b>	<b>8,433</b>
Interest Expense		-	2,033
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>8,303</b>	<b>6,400</b>
Provision for Taxation - Current		4,478	4,030
- Deferred		(1,691)	(2,144)
<b>PROFIT AFTER TAX</b>		<b>5,516</b>	<b>4,514</b>
<b>Earnings Per Share of ₹ 10/- each fully paid up (in ₹)</b>	<b>18</b>		
Basic		110.32	90.28
Diluted		110.32	90.28
<b>Significant Accounting Policies</b>	<b>2</b>		
The accompanying notes are an integral part of the Financial Statements			

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**For and on behalf of the Board**

**Khurshed Pastakia**  
Partner  
Membership No.: 31544

**Akshaya Moondra**  
Director

**Himanshu Kapania**  
Director

Place : Mumbai  
Date : April 26, 2016

## Notes forming part of the Financial Statements

### 1. CORPORATE INFORMATION:

Idea Cellular Services Limited, a 100% subsidiary of Idea Cellular Limited was incorporated on 3<sup>rd</sup> October, 2007 and provides manpower services to the Holding Company & fellow subsidiaries.

### 2. SIGNIFICANT ACCOUNTING POLICIES:

#### a) Basis of Preparation of Financial Statements

The Financial Statements have been prepared on accrual basis under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 and relevant provisions of the Companies Act 2013.

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

#### b) Revenue Recognition

Revenue on account of rendering of services is recognised when services are rendered based on agreements / arrangements.

#### c) Fixed Assets

Fixed Assets are stated at cost of acquisition and installation less accumulated depreciation. Cost is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use.

#### d) Depreciation

Depreciation on Fixed assets is provided on straight-line method on the basis of estimated useful economic lives as given below: -

<u>Tangible Assets</u>	<u>Years</u>
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Office Equipments	3-5
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Assets costing upto ₹ 5,000/- are depreciated fully in the month of purchase.

#### e) Retirement Benefits

Contributions to Provident and Pension funds are funded with the appropriate authorities and charged to the Statement of Profit and Loss.

Contributions to Superannuation are funded with the Life Insurance Corporation of India and charged to the Statement of Profit and Loss.

Liability for Gratuity as at the year end is provided on the basis of actuarial valuation and funded with the Life Insurance Corporation of India.

Provision in accounts for leave encashment (compensated absence) to employees is based on actuarial valuation done by Projected accrued benefit method at the period end.

### f) Taxation

i) **Current Tax:** Provision for current income tax is made on the taxable income using the applicable tax rates and tax laws.

ii) **Deferred Tax:** Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognised unless there is virtual certainty with respect to the reversal of the same in future years.

iii) **Minimum Alternate Tax (MAT) credit:** MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income tax during the specified period.

### g) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Differences between actual results and estimates are recognised in the periods in which the results are known / materialise.

### h) Earnings Per Share (EPS)

The earnings considered in ascertaining the Company's Earnings Per Share (EPS) comprises the Net Profit/(Loss) after tax, as per Accounting Standard 20 on "Earnings Per Share". The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

## Notes forming part of the Financial Statements

### i) Impairment of Assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in accordance with AS-28 "Impairment of Assets", for the amount by which the asset's carrying amount exceeds its recoverable amount as on the carrying date. The recoverable amount is higher of the asset's fair value less costs to sell vis-à-vis value in use. For the purpose of impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

### j) Provisions & Contingent Liability

Provisions are recognized when the Company has a present obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. A contingent liability is disclosed where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

# IDEA CELLULAR SERVICES LIMITED

## Notes forming part of the Financial Statements

### 3. SHARE CAPITAL

#### a) Authorised, Issued, Subscribed and Paid-up Share Capital:

Particulars	As at March 31, 2016		As at March 31, 2015	
	Numbers	₹ in '000	Numbers	₹ in '000
<b>Authorised</b>				
Equity Shares of ₹ 10 each	2,000,000	20,000	50,000	500
	2,000,000	20,000	50,000	500
<b>Issued, Subscribed and Paid-Up</b>				
<b>Equity Share Capital</b>				
Equity Shares of ₹ 10 each fully paid up	50,000	500	50,000	500
	50,000	500	50,000	500

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

(ii) At the Annual General Meeting held on September 28, 2015, the members of the company have approved to increase the Authorised Equity Share Capital from ₹ 500 Thousands to ₹ 20,000 Thousands.

#### b) Rights attached to Equity Shareholders:

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 4. RESERVES AND SURPLUS

Particulars	₹ in '000	
	As at March 31, 2016	As at March 31, 2015
<b>Surplus/(Deficit) in Statement of Profit and Loss</b>		
Balance at the beginning of the year	(2,571)	(7,085)
Add: Profit during the year	5,516	4,514
<b>Balance at the end of the year</b>	<b>2,945</b>	<b>(2,571)</b>
<b>Total</b>	<b>2,945</b>	<b>(2,571)</b>

Notes forming part of Financial Statements

5. FIXED ASSETS - TANGIBLE ASSETS

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at 1-Apr-2015	Additions during the year	Sale/ Adjustments during the year	As at 31-Mar-2016	As at 1-Apr-2015	Additions during the year	Sale/ Adjustments during the year	As at 31-Mar-2016	As at 31-Mar-2015
Office Equipment	3,906	-	-	3,906	3,906	-	-	3,906	-
<b>TOTAL</b>	<b>3,906</b>	<b>-</b>	<b>-</b>	<b>3,906</b>	<b>3,906</b>	<b>-</b>	<b>-</b>	<b>3,906</b>	<b>-</b>
Previous Year	3,906	-	-	3,906	3,906	-	-	3,906	-

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at 1-Apr-2014	Additions during the year	Sale/ Adjustments during the year	As at 31-Mar-2015	As at 1-Apr-2014	Additions during the year	Sale/ Adjustments during the year	As at 31-Mar-2015	As at 31-Mar-2014
Office Equipment	3,906	-	-	3,906	3,906	-	-	3,906	-
<b>Total</b>	<b>3,906</b>	<b>-</b>	<b>-</b>	<b>3,906</b>	<b>3,906</b>	<b>-</b>	<b>-</b>	<b>3,906</b>	<b>-</b>

# IDEA CELLULAR SERVICES LIMITED

## Notes forming part of the Financial Statements

### 6 DEFERRED TAX ASSETS

₹ in '000

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Major components of Deferred Tax are:		
Depreciation of Fixed Assets	-	190
Expenses allowable on payment basis	10,583	8,702
<b>Total</b>	<b>10,583</b>	<b>8,892</b>

### 7 LONG-TERM LOANS AND ADVANCES

(Unsecured, considered good)

₹ in '000

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Deposits and balances with Government Authorities	394	326
Advance Income Tax (Net of Provision of ₹ 4,478 thousand (Previous Year ₹ 4,030 thousand))	18,288	17,848
<b>Total</b>	<b>18,682</b>	<b>18,174</b>

### 8 TRADE RECEIVABLES

(Unsecured, considered good)

₹ in '000

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Outstanding for a period not exceeding Six months from due date (Refer Note 16)	87,275	71,571
<b>Total</b>	<b>87,275</b>	<b>71,571</b>

### 9 CASH AND CASH EQUIVALENTS

₹ in '000

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Cash on hand	9	8
Balances with Banks - In Current Accounts	2,514	744
<b>Total</b>	<b>2,523</b>	<b>752</b>

### 10 SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good)

₹ in '000

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Advance Income Tax	6,623	390
Cenvat Credit	1,497	995
Expense Paid in Advance (includes amount referred in Note 14)	4,634	4,378
Other Loans and Advances	3,978	3,594
<b>Total</b>	<b>16,732</b>	<b>9,357</b>

# IDEA CELLULAR SERVICES LIMITED

## Notes forming part of the Financial Statements

### 11 PERSONNEL EXPENDITURE

Particulars	₹ in '000	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries and Allowances etc.	1,177,192	1,029,742
Contribution to Provident and Other Funds	43,814	51,500
Staff Welfare	55,798	41,688
Recruitment and Training	370	139
<b>Total</b>	<b>1,277,174</b>	<b>1,123,069</b>

### 12 ADMINISTRATION & OTHER EXPENSES

Particulars	₹ in '000	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Other Insurance	-	5
Rates and Taxes	425	83
Printing and Stationery	383	441
Communication Expenses	34,009	28,582
Travelling and Conveyance	191,265	176,455
Bank Charges	8	11
Directors Sitting Fees	115	20
Legal and Professional Charges (Refer Note 13)	3,757	2,469
Audit Fees (Refer Note 13)	175	125
Miscellaneous Expenses	71	66
<b>Total</b>	<b>230,208</b>	<b>208,257</b>

### 13. Auditors' Remuneration (excluding Service Tax):

Particulars	₹ in '000	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Statutory Audit Fees	175	125
Certification and other services (included in Legal & Professional Services)	40	-

## Notes forming part of the Financial Statements

### 14. Details of Employee benefits as required by the Accounting Standard 15 (Revised) Employee benefits are as under:

- a) **Defined Benefit Plan:** The Company provides for its liability towards gratuity as per the actuarial valuation. The present value of the accrued gratuity minus fund value is provided in the books of accounts.

		₹ in '000	
Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
<b>1</b>	<b>Assumptions</b>		
	Discount Rate	8.10%	8.00%
	Salary Escalation	8.00%	7.00%
<b>2</b>	<b>Table showing changes in present value of Obligations</b>		
	Present value of Obligations as at beginning of the Year	26,142	19,532
	Interest cost	1,950	1,701
	Current Service cost	9,371	8,676
	Benefits paid	(3,529)	(1,270)
	Actuarial (Gain) / Loss	(5,463)	(2,497)
	Present value of Obligations at end of the year	28,471	26,142
<b>3</b>	<b>Table showing changes in the fair value of Plan Assets</b>		
	Fair value of Plan Assets at beginning of the year	26,256	21,849
	Expected return on Plan Assets	2,364	2,067
	Contributions	3,552	3,503
	Benefits paid	(3,529)	(1,270)
	Actuarial Gain/(Loss) on Plan Assets	6	107
	Fair value of Plan Assets at end of the year	28,649	26,256
	Actual Return on Plan Asset	2,370	2,173
<b>4</b>	<b>Actuarial (gain) / loss recognized</b>		
	Actuarial (Gain)/Loss for the year-Obligation	(5,463)	(2,497)
	Actuarial (Gain)/Loss for the year-Plan Assets	(6)	(107)
	Actuarial (Gain)/Loss for the year	(5,469)	(2,604)
	Actuarial (Gain)/Loss recognized in the year	(5,469)	(2,604)
<b>5</b>	<b>The amounts to be recognized in Balance Sheet</b>		
	Present value of Obligations as at end of the year	28,471	26,142
	Fair value on Plan Assets as at the end of the year	28,649	26,256
	Funded status	178	114
	Net Asset / (liability) recognized in Balance Sheet	178	114
<b>6</b>	<b>Expenses Recognized in statement of Profit &amp; Loss</b>		
	Current Service cost	9,371	8,676
	Interest cost	1,950	1,701
	Expected return on Plan Assets	(2,364)	(2,067)
	Net Actuarial (Gain)/Loss Recognized in the year	(5,469)	(2,604)
	Expenses recognized in the Statement of Profit & Loss	3,488	5,706
<b>7</b>	<b>Investment Details of Plan Assets (% allocation)</b>		
	Funds managed by Insurer *	100.00%	100.00%

# IDEA CELLULAR SERVICES LIMITED

## Notes forming part of the Financial Statements

₹ in '000

Sr. No.	Particulars	Year Ended				
		March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>8.</b>	<b>Experience Adjustments</b>					
	Present value of obligation	28,471	26,142	19,532	14,858	6,270
	Plan Assets	28,649	26,256	21,849	13,531	6,101
	Surplus / ( Deficit )	178	114	2,317	(1,327)	(169)
	Experience (gain) or loss on Plan Liabilities	(6,992)	(4,184)	1,654	1,965	(1,556)
	Experience (gain) or loss on Plan Assets	(6)	(107)	(96)	23	0

\* The funds are managed by LIC and LIC does not provide breakup of plan assets by investment type.

The estimates of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b) **Defined Contribution Plan:** During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	₹ in '000	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Employer's Contribution to Provident and Pension Fund	30,395	28,541

### 15. Segment Reporting

As the Company operates in only one business segment, there is no separate reportable segment as per Accounting Standard - 17 on "Segment Reporting".

### 16. Related Party Transactions

As per Accounting Standard-18 on "Related Party Disclosure", the related parties of the Company are disclosed below :

#### A. List of Related Parties:

##### Promoters of Holding Company

Hindalco Industries Limited  
 Grasim Industries Limited  
 Aditya Birla Nuvo Limited  
 Birla TMT Holding Pvt. Limited

##### Holding Company:

Idea Cellular Limited (ICL)

##### Fellow Subsidiaries:

Idea Telesystems Limited (ITL)  
 Aditya Birla Telecom Limited (ABTL)  
 Idea Cellular Infrastructure Services Limited (ICISL)  
 Idea Mobile Commerce Services Limited (IMCSL)

##### Joint Venture of Fellow Subsidiary

Indus Towers Limited (Indus)

# IDEA CELLULAR SERVICES LIMITED

## Notes forming part of the Financial Statements

### B. Transactions with Related Parties for the year ended 31st March 2016:

	₹ in '000	
Particulars	ICL	ITL
Sale of Services	1,504,742 (1,329,848)	6,368 (5,825)
Purchases of Services	32,753 (21,443)	- (-)
Expenses incurred on Company's behalf by	3,251 (3,152)	- (-)

(Figures in brackets represent corresponding figures for the year ended 31st March, 2015)

### C. Balances with Related Parties as on 31st March 2016:

	₹ in '000	
Particulars	ICL	ITL
Trade Receivables	87,275 (71,571)	- (-)

(Figures in brackets represent corresponding figures as at 31st March, 2015)

### 17. Earnings Per Share is calculated as under:

Particulars	As at March 31, 2016	As at March 31, 2015
Nominal value of Shares (₹)	10/-	10/-
Profit / (Loss) After Tax attributable to Equity Share Holders (₹ in '000)	5,516	4,514
Weighted Average number of Equity Shares	50,000	50,000
Basic & Diluted Earning per Share (₹)	110.32	90.28

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

19. Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's grouping.

### For and on behalf of the Board

**Akshaya Moondra**  
Director

**Himanshu Kapania**  
Director

Place : Mumbai  
Date : 26th April, 2016

# IDEA CELLULAR SERVICES LIMITED

## Cash Flow Statement for the year ended March 31, 2016

₹ in '000

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>A) Cash Flow from Operating Activities</b>		
<b>Net Profit after tax</b>	<b>5,516</b>	4,514
<b>Adjustments For</b>		
Depreciation	-	-
Interest Income	-	(970)
Provision for Gratuity and Leave Encashment	4,435	8,326
Provision for Deferred Tax	(1,691)	(2,144)
Provision for Current Tax	4,478	4,030
<b>Operating Profit before Working Capital Changes</b>	<b>12,738</b>	13,756
<b>Adjustments for Changes in Working Capital</b>		
(Increase)/Decrease in Trade Receivables	(15,704)	(25,989)
(Increase)/Decrease in Long Term & Short Term Loans and Advances	(1,146)	(2,435)
Increase/(Decrease) in Trade Payables & Other Current Liabilities	17,034	12,828
	184	(15,596)
<b>Cash generated from Operations</b>	<b>12,922</b>	(1,840)
Tax (Paid)/Refund received including TDS and Interest on Refund (Net)	(11,151)	1,218
<b>Net Cash from/(used in) Operating Activities</b>	<b>1,771</b>	(622)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>1,771</b>	(622)
Cash and Cash Equivalents at the beginning	752	1,374
<b>Cash and Cash Equivalents at the end</b>	<b>2,523</b>	752

### Notes to Cash flow Statement for the Year ended March 31, 2016

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

Cash on Hand	9	8
Balances with Banks - In Current Accounts	2,514	744
	<b>2,523</b>	752

2. The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statement.

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**For and on behalf of the Board**

**Khurshed Pastakia**  
Partner  
Membership No.: 31544

**Akshaya Moondra**  
Director

**Himanshu Kapania**  
Director

Place : Mumbai  
Date : April 26, 2016

