

IDEA CELLULAR INFRASTRUCTURE
SERVICES LIMITED
ANNUAL REPORT 2014-15



IDEA CELLULAR INFRASTRUCTURE SERVICES LIMITED

Independent Auditors' Report

To the Members of
Idea Cellular Infrastructure Services Limited
Report on the Financial Statements

We have audited the accompanying financial statements of **Idea Cellular Infrastructure Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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 the 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

We conducted our audit 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, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such control. 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 March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 21 to the financial statements;
 - 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.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Khurshed Pastakia
Partner
(Membership No. 31544)

Place : Mumbai
Date : April 24, 2015

IDEA CELLULAR INFRASTRUCTURE SERVICES LIMITED

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. Having regard to the nature of the Company's business/ activities/results, clauses (ii), (v), (vi), (ix) and (xi) of the paragraph 3 of the Order are not applicable to the Company.

2. In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to information and explanation given to us the Management is in the process of reconciling the results of such physical verification with the fixed assets register. Management believes that differences, if any, arising out of such reconciliation are not expected to be material.

3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act, 2013.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and for the rendering of services and during the course of our audit, we have not observed any major weakness in such internal control system. During the current year, the company had no transactions of purchase of inventory and sale of goods.

5. According to information and explanations given to us, in respect of statutory dues:

a) The Company has been regular in depositing undisputed statutory dues, including Income Tax, Service Tax, Value Added Tax and other material statutory dues applicable to it with the appropriate authorities. As explained to us, the Company did not have any dues on account of Provident Fund, Employee State Insurance, Wealth tax, Custom Duty, Excise duty and Cess.

b) There were no undisputed amount payable in respect of Income Tax, Service Tax, Value Added Tax and other material statutory dues in arrears, as at 31st March, 2015 for a period of more than six months from the date they became payable.

c) There are no amounts that are due to be transferred to Investor Education and Protection Fund in accordance

with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

d) There are no dues of Income Tax and Value Added Tax which have not been deposited on account of any dispute. Details of dues of Entry tax and Service Tax which have not been deposited as on March 31, 2015 by the Company on account of disputes are given below:

Name of the Statute	Nature of Dues	Period to which the amount pertains	Amount (₹ Thousand)	Forum where the dispute is pending
Bihar Value Added Tax Act 2005	Entry Tax	2008-09	8,963	Commercial Tax Officer, Patliputra Circle, Patna
Bihar Value Added Tax Act 2005	Entry Tax	2009-10	791	Commercial Tax Officer, Patliputra Circle, Patna
Finance Act, 1994 (Service Tax provisions)	Service Tax	2008-09 and 2009-10	161,600	CESTAT - Kolkata

6. The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

7. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

8. 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 has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Khurshed Pastakia
Partner
(Membership No. 31544)

Place : Mumbai
Date : April 24, 2015

IDEA CELLULAR INFRASTRUCTURE SERVICES LIMITED

Balance Sheet as at March 31, 2015

₹ in '000

Particulars	Note	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	500	500
Reserves and Surplus	4	743,757	532,660
		744,257	533,160
Non-Current Liabilities			
Unsecured Loan from Holding Company		-	1,550,000
Deferred Tax Liabilities (Net)	5	161,427	193,167
Other Long Term Liabilities	6	10,138	1,237
		171,565	1,744,404
Current Liabilities			
Short Term Borrowings	7	1,966,500	450,575
Trade Payables		278,623	341,507
Other Current Liabilities	8	166,527	71,847
		2,411,650	863,929
TOTAL		3,327,472	3,141,493
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	9	2,339,966	2,732,115
Capital Work-in-Progress	9	9,336	10,179
Long-Term Loans and Advances	10	174,632	133,671
		2,523,934	2,875,965
Current Assets			
Current Investments	11	534,406	-
Trade Receivables	12	232,073	224,332
Cash and Cash Equivalents	13	3,650	703
Short-Term Loans and Advances	14	33,409	40,493
		803,538	265,528
TOTAL		3,327,472	3,141,493
Significant Accounting Policies	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

Khurshed Pastakia
Partner
Membership No.: 31544

Place : Mumbai
Date : April 24, 2015

For and on behalf of the Board

Akshaya Moondra
Director

Tarjani Vakil
Director

IDEA CELLULAR INFRASTRUCTURE SERVICES LIMITED

Statement of Profit & Loss for the year ended March 31, 2015

₹ in '000

Particulars	Note	For the year ended March 31, 2015	For the year ended March 31, 2014
INCOME			
Service Revenue		2,356,987	2,247,971
Other Operating Income	15	2,463	5,323
Revenue from Operations		2,359,450	2,253,294
Other Income	16	29,643	2,067
TOTAL		2,389,093	2,255,361
OPERATING EXPENDITURE			
Personnel Expenditure	17	57,690	52,583
Network Operating Expense	18	1,420,124	1,573,372
Administration & Other Expenses	19	27,797	25,678
		1,505,611	1,651,633
PROFIT BEFORE FINANCE & TREASURY CHARGES, DEPRECIATION & TAXES		883,482	603,728
Interest Expense (includes amount referred in Note 22)		154,085	18,343
Depreciation	9	438,239	358,206
PROFIT BEFORE TAX		291,158	227,179
Provision for Taxation – Current		133,624	72,067
– Deferred		(31,739)	5,173
– MAT Credit		(21,824)	(23,939)
PROFIT AFTER TAX		211,097	173,878
Earnings Per Share of ₹ 10/- each fully paid up (in ₹)	23		
Basic		4,222	3,478
Diluted		4,222	3,478
Significant Accounting Policies	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

Khurshed Pastakia
Partner
Membership No.: 31544

Place : Mumbai
Date : April 24, 2015

For and on behalf of the Board

Akshaya Moondra
Director

Tarjani Vakil
Director

IDEA CELLULAR INFRASTRUCTURE SERVICES LIMITED

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

Idea Cellular Infrastructure Services Limited is a 100% subsidiary of Idea Cellular Limited and is in business of providing passive infrastructure services.

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 AND RECEIVABLES :

- i. Revenue from passive infrastructure is recognised on accrual basis as per the contractual terms with the telecom operators, net of service tax.
- ii. Interest income is recognised on accrual basis at applicable interest rates and time period.
- iii. Unbilled Receivables, represent revenues recognised from the bill cycle date to the end of each month. These are billed in subsequent periods as per the agreed terms.
- iv. Provision for doubtful debts is made for dues outstanding for more than 180 days from the date of billing other than specific cases where management is of the view that amount is recoverable.

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) EXPENDITURE DURING PRE-OPERATIVE PERIOD :

Expenses incurred on project and other charges during construction period are included under pre-operative expenditure (grouped under capital work in progress) and are allocated to the cost of Fixed Assets on the commencement of commercial operations.

e) DEPRECIATION :

Depreciation on tangible fixed assets is provided using straight-line method on pro rata basis over their estimated useful economic lives as given below. The useful life is taken as prescribed in Schedule II to the Companies Act, 2013 except where the estimated useful economic life has been assessed to be lower based on technical obsolescence, nature of assets, estimated usage of the assets, operating conditions

of the asset, and manufacturers warranties, maintenance and support period, etc.

<u>Tangible Assets</u>	<u>Useful Life (In years)</u>
Plant and Machinery:	
Towers / Civil work	18
Shelters / Others	10
Power Equipment / Air Conditioner / Electrical Work	10
Diesel Generators	5
Batteries	3

f) TAXATION :

- i. **Current Tax:** Provision for current income tax is made on the taxable income using the applicable tax rates and tax laws. Advance Income Tax and Provision for Current Tax is disclosed in the balance sheet at net as these are settled on net basis.
- 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 recognised 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) PROVISIONS AND CONTINGENT LIABILITIES :

Provisions are recognised 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.

h) EARNINGS PER SHARE (EPS) :

The earnings considered in ascertaining the Company's Earnings per Share (EPS) comprises the net profit after tax, as per Accounting Standard 20 on

Notes forming part of the Financial Statements

“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.

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 recognised 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) USE OF ESTIMATES :

The preparation of financial statements in conformity with generally accepted accounting principles require 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.

k) OPERATING LEASES :

Lease of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognised as income / expense in the Statement of Profit and Loss, on a straight-line or other systematic basis over the lease term.

3. SHARE CAPITAL

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

Particulars	As at March 31, 2015		As at March 31, 2014	
	Numbers	₹ in '000	Numbers	₹ in '000
Authorised				
Equity Shares of ₹ 10 each	50,000	500	50,000	500
	50,000	500	50,000	500
Issued, Subscribed and Paid-Up				
Equity Share Capital				
Equity Shares of ₹ 10 each fully paid up	50,000	500	50,000	500
	50,000	500	50,000	500

(i) The entire paid up Equity Share Capital is held by the holding Company, Idea Cellular Limited and its nominees.

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, 2015	As at March 31, 2014
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	532,660	358,782
Add: Profit during the year	211,097	173,878
Balance at the end of the year	743,757	532,660

IDEA CELLULAR INFRASTRUCTURE SERVICES LIMITED

Notes forming part of the Financial Statements

5. DEFERRED TAX LIABILITIES

Major components of Deferred Tax are:

Particulars	₹ in '000	
	As at March 31, 2015	As at March 31, 2014
a) Deferred Tax Liability:		
Depreciation of Fixed Assets	166,308	196,353
Others	-	-
Total Deferred Tax Liability (A)	166,308	196,353
b) Deferred Tax Asset:		
Provision for Doubtful Debts	4,881	3,186
Total Deferred Tax Asset (B)	4,881	3,186
Net Deferred Tax Liability (A - B)	161,427	193,167

6. OTHER LONG TERM LIABILITIES

Particulars	₹ in '000	
	As at March 31, 2015	As at March 31, 2014
a) Trade Payables	7,861	-
b) Deposits from Customers and Others	2,277	1,237
Total	10,138	1,237

7. SHORT TERM BORROWINGS

Particulars	₹ in '000	
	As at March 31, 2015	As at March 31, 2014
UNSECURED LOANS		
- From Fellow Subsidiaries	1,966,500	33,500
- From Holding Company	-	417,075
Total	1,966,500	450,575

8. OTHER CURRENT LIABILITIES

Particulars	₹ in '000	
	As at March 31, 2015	As at March 31, 2014
Interest accrued but not due on Borrowings (Refer Note 22)	135,769	16,501
Payables for Capital Expenditure	10,024	48,411
Taxes and Other Liabilities	20,734	6,935
Total	166,527	71,847

Notes forming part of the Financial Statements

9. FIXED ASSETS

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at April 1, 2014	Additions during the year	Sale/ Adjustment during the year	As at March 31, 2015	As at April 1, 2014	For the year	As at March 31, 2015	As at March 31, 2014
Plant & Machinery	4,595,181	47,408	51,718	4,590,871	1,863,066	438,239	2,339,966	2,732,115
Total	4,595,181	47,408	51,718	4,590,871	1,863,066	438,239	2,339,966	2,732,115
Capital Work in Progress							9,336	10,179

Notes:

1) Depreciation charge for the year includes ₹ 84,560 thousands (Previous year ₹ Nil) due to change in estimated useful life of certain Fixed Assets. Further, the depreciation charge for the year ending March 31, 2016 and 2017 would be higher by ₹ 3,895 thousands and ₹ 28,901 thousands respectively and that for years ending after March 31, 2017 would be lower by ₹ 117,356 thousands.

B. Previous Year

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at April 1, 2013	Additions during the year	Sale/ Adjustment during the year	As at March 31, 2014	As at April 1, 2013	For the year	As at March 31, 2014	As at March 31, 2014
Plant & Machinery	4,512,087	86,415	3,321	4,595,181	1,506,910	358,206	1,863,066	2,732,115
Total	4,512,087	86,415	3,321	4,595,181	1,506,910	358,206	1,863,066	2,732,115

IDEA CELLULAR INFRASTRUCTURE SERVICES LIMITED

Notes forming part of the Financial Statements

10. LONG-TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

₹ in '000

Particulars	As at March 31, 2015	As at March 31, 2014
Deposits and balances with Government Authorities	15,270	14,839
Deposits with Body Corporates and Others	1,336	1,174
MAT Credit Entitlement	-	56,737
Advance Income Tax (Net of Provision ₹133,624 thousands (Previous year ₹ 72,067 thousands))	72,646	60,443
Other Loans and Advances	85,380	478
Total	174,632	133,671

11. CURRENT INVESTMENTS

₹ in '000

Particulars	As at March 31, 2015	As at March 31, 2014
a) Investment in Units of Liquid Mutual Funds (Unquoted) (Refer Note 26)	534,406	-
Total	534,406	-

12. TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)

₹ in '000

Particulars	As at March 31, 2015	As at March 31, 2014
a) Billed Receivables		
Unsecured - Considered Good		
Outstanding for a period exceeding six months from due date	5,466	254
Other Receivables	30,734	120,051
	36,200	120,305
Unsecured - Considered Doubtful		
Outstanding for a period exceeding six months from due date	12,920	9,375
Other Receivables	1,183	-
	14,103	9,375
Less: Provision for Doubtful Debts	14,103	9,375
	36,200	120,305
b) Unbilled Receivables	195,873	104,027
Total	232,073	224,332

13. CASH AND CASH EQUIVALENTS

₹ in '000

Particulars	As at March 31, 2015	As at March 31, 2014
Balances with Banks in Current Accounts	3,650	703
Total	3,650	703

IDEA CELLULAR INFRASTRUCTURE SERVICES LIMITED

Notes forming part of the Financial Statements

14. SHORT-TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

Particulars	₹ in '000	
	As at March 31, 2015	As at March 31, 2014
MAT Credit Entitlement	6,899	-
Advance Income Tax	1,013	-
Cenvat Credit	5,916	17,212
Expenses Paid in Advance & Other Loans and Advances	19,581	23,281
Total	33,409	40,493

15. OTHER OPERATING INCOME

Particulars	₹ in '000	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Liabilities / Provisions no longer required written back	2,074	3,753
Miscellaneous Receipts	389	1,570
Total	2,463	5,323

16. OTHER INCOME

Particulars	₹ in '000	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Gain on Sale of Fixed Assets / Asset disposed off	12,168	264
Interest Income	359	1,803
Profit on Sale of Current Investments	14,881	-
Dividend Income	2,235	-
Total	29,643	2,067

17. PERSONNEL EXPENDITURE

Particulars	₹ in '000	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Salaries and Allowances etc.	52,085	47,022
Contribution to Provident and Other Funds	2,342	2,128
Staff Welfare	2,789	2,760
Recruitment and Training	474	673
Total	57,690	52,583

18. NETWORK OPERATING EXPENDITURE

Particulars	₹ in '000	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Security Service Charges	63,785	107,722
Power and Fuel	1,236,749	1,279,136
Repairs and Maintenance - Plant and Machinery	9,120	86,320
Switching & Cellsites Rent	101,984	93,224
Network Insurance	1,672	1,480
Other Network Operating expenses	6,814	5,490
Total	1,420,124	1,573,372

IDEA CELLULAR INFRASTRUCTURE SERVICES LIMITED

Notes forming part of the Financial Statements

19. ADMINISTRATION & OTHER EXPENSES

₹ in '000

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Repairs and Maintenance - Building	609	308
- Others	2,224	2,392
Other Insurance	164	55
Non Network Rent	1,838	2,433
Rates and Taxes	19	12
Electricity	1,094	1,803
Printing and Stationery	664	496
Communication Expenses	402	258
Travelling and Conveyance	4,990	5,193
Provision for Bad and Doubtful Debts	4,727	2,329
Bank Charges	10	57
Directors Sitting Fees	20	-
Legal and Professional Charges	2,573	2,624
Audit Fees (Refer Note 25)	225	200
Service Charges	6,096	5,427
Miscellaneous Expenses	2,142	2,091
Total	27,797	25,678

20. Estimated amount of contract remaining to be executed on Capital Account and not provided for (net of advance) ₹ 27,354 Thousands (previous year ₹ 59,388 Thousands).

21. CONTINGENT LIABILITIES

₹ in '000

Particulars	As at March 31, 2015	As at March 31, 2014
Service Tax Matters not acknowledged as debts*	161,600	161,600
Entry Tax demands, challenged by the Company with various authorities	16,254	-
Other Cases#	24,292	19,207

* includes demands raised due to denial of cenvat credit related to towers and shelters

Mainly include miscellaneous disputed matters with Local Municipal Corporation, and others

22. DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO ACCOUNTING STANDARD 18

A. List of Related Parties as at March 31, 2015

I. Promoters of Holding Company

Hindalco Industries Limited (Hindalco)
Grasim Industries Limited (Grasim)
Aditya Birla Nuvo Limited (ABNL)
Birla TMT Holdings Pvt. Limited (Birla TMT)

II. Holding Company

Idea Cellular Limited (ICL)

III. Fellow Subsidiaries

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

IDEA CELLULAR INFRASTRUCTURE SERVICES LIMITED

Notes forming part of the Financial Statements

IV. Joint Venture of Fellow Subsidiary

Indus Towers Limited (INDUS)

B. Transaction with Related Parties:

₹ in '000

Particulars	Holding Company	Fellow Subsidiary	Promoter of Holding Company
	ICL	ABTL	Hindalco
Purchase of Services			582 (587)
Sale of Services	1,286,857 (1,279,008)		
Expenses Incurred on Company's behalf by	75,985 (75,268)		
Sale of Fixed Assets (Including CWIP)	287 (456)		
ICD taken		1,966,500 (633,500)	
ICD repaid		33,500 (600,000)	
Interest on ICD taken		154,085 (18,335)	
Unsecured Loans taken	- (1,121,504)		
Unsecured Loans repaid (Net off towards services provided)	1,967,075 (1,601,805)		

(Figures in brackets represent corresponding amount for the year ended on March 31, 2014)

C. Balance Outstanding as on March 31, 2015:

₹ in '000

Particulars	Holding Company	Fellow Subsidiary	Promoter of Holding Company
	ICL	ABTL	Hindalco
Unsecured Long-term & Short-term Loans	- (1,967,075)	1,966,500 (33,500)	
Interest accrued but not due		135,769 (16,501)	
Trade Payable	5,382 (6,662)		159 (44)
Trade Receivable	119,593 (111,605)		

(Figures in brackets represent corresponding amount as at March 31, 2014)

23. EARNINGS PER SHARE (EPS) IS CALCULATED AS UNDER:

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Nominal Value of Equity Share (₹)	10/-	10/-
Profit / (Loss) after Tax (₹ in '000)	211,097	173,878
Profit / (Loss) Attributable to Equity Shareholders (₹ in '000)	211,097	173,878
Weighted average Number of Equity Share outstanding during the year	50,000	50,000
Basic & Diluted Earnings Per Share (₹)	4,222	3,478

IDEA CELLULAR INFRASTRUCTURE SERVICES LIMITED

Notes forming part of the Financial Statements

24. SEGMENT REPORTING

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

25. AUDITOR'S REMUNERATION (exclusive of Service Tax):

Particulars	₹ in '000	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Statutory Audit Fees	225	200

26. DETAILS OF CURRENT INVESTMENTS:

Particulars	As at March 31, 2015		As at March 31, 2014	
	Qty in '000 Units	₹ in '000 Value	Qty in '000 Units	₹ in '000 Value
Birla Sun Life Cash Plus - Growth - Direct	2,380.97	534,406	-	-
Total	2,380.97	534,406	-	-

27. No amounts are payable to Micro, Small and Medium Enterprises (SMEs) within the meaning of the Micro, Small and Medium Enterprises Development Act, 2006.

28. OPERATING LEASE: AS A LESSOR

The Company has leased certain cell sites under operating lease arrangements. The gross block, accumulated depreciation and depreciation expense of the assets given on lease are ₹4,590,871 thousands (Previous Year ₹4,595,181 thousands), ₹2,250,905 thousands (Previous Year ₹1,863,066 thousands) and ₹438,239 thousands (Previous Year ₹358,206 thousands) respectively.

The future minimum lease receivables in respect of the above are as follows:

Particulars	₹ in '000		
	Not later than one year	Later than one year but not later than five years	Later than five years
Minimum Lease receivables	1,194,384 (9,037)	5,083,690 (12,808)	6,195,622 (-)

(Figures in bracket are as at March 31, 2014)

29. OPERATING LEASE - AS A LESSEE

The Company has entered into Long term lease arrangement to take tower sites under Operating leases. The lease rental expense charged to the statement of Profit and Loss during the year is ₹ 89,851 thousands.

The future minimum lease payable in respect of the above are as follows:

Particulars	₹ in '000		
	Not later than one year	Later than one year but not later than five years	Later than five years
Minimum Lease payments	80,528 (-)	347,659 (-)	407,780 (-)

(Figures in bracket are as at March 31, 2014)

30. Idea Cellular Limited (ICL) is having administrative office and manpower set up in the state of Bihar, Jharkhand and Orissa which are used by the company to run its operation. The Company reimburses ICL for such services based on percentage utilisation of these resources. During the financial year, there were no employees on the rolls of the company.

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

For and on behalf of the Board

Akshaya Moondra
Director

Tarjani Vakil
Director

Place : Mumbai
Date : April 24, 2015

IDEA CELLULAR INFRASTRUCTURE SERVICES LIMITED

Cash Flow Statement for the year ended March 31, 2015

₹ in '000

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
A) Cash Flow from Operating Activities		
Net Profit after tax	211,097	173,878
Adjustments for		
Depreciation	438,239	358,206
Interest and Financing charges	154,085	18,343
Provision for Bad & Doubtful Debts	4,727	2,329
Provision for Deferred Tax	(31,739)	5,173
Provision for Current Tax (Net of MAT Credit Entitlement)	111,800	48,128
Dividend Income	(2,235)	-
Liability / Provision no longer required written back	(2,074)	(3,753)
Interest Income	(359)	(1,803)
(Profit) / Loss on sale of Fixed Assets / Assets discarded	(12,168)	(264)
(Profit) / Loss on sale of Current Investment	(14,881)	-
Operating profit before Working Capital changes	856,492	600,237
Adjustments for changes in Working Capital		
(Increase) / Decrease in Trade Receivables	(12,468)	(126,480)
(Increase) / Decrease in Long Term & Short Term Loans and Advances	(70,499)	22,223
Increase / (Decrease) in Trade Payables and Other Current & Non-Current Liabilities	(38,111)	104,651
Cash generated from Operations	735,414	600,631
Tax (paid) / refund received including TDS (net)	(75,178)	(36,082)
Net cash from Operating Activities	660,236	564,549
B) Cash Flow from Investing Activities		
Purchase of Fixed Assets & Intangible Assets (including CWIP)	(84,952)	(77,518)
Proceeds from sale of Fixed Assets	13,486	1,535
Profit on sale of Current Investment	14,881	-
Dividend Income	2,235	-
Interest Received	359	-
Net cash from / (used in) Investing Activities	(53,991)	(75,983)
C) Cash Flow from Financing Activities		
Repayment of Unsecured Loan from Holding Company (Net)	(1,550,000)	(520,487)
Proceeds from Short Term Borrowings	1,966,500	633,500
Repayment of Short Term Borrowings	(450,575)	(600,000)
Interest Paid	(34,817)	(1,842)
Net cash from / (used in) Financing Activities	(68,892)	(488,829)
Net increase / (decrease) in Cash and Cash Equivalent	537,353	(263)
Cash and Cash Equivalent at the beginning	703	966
Cash and Cash Equivalent at the end	538,056	703

Notes to Cash Flow Statement for the year ended March 31, 2015:

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

Balances with banks in Current Accounts	3,650	703
Current Investment	534,406	-
	<u>538,056</u>	<u>703</u>

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

Khurshed Pastakia
Partner
Membership No.: 31544

Place: Mumbai
Date: April 24, 2015

For and on behalf of the Board

Akshaya Moondra
Director

Tarjani Vakil
Director

