

ADITYA BIRLA TELECOM LIMITED
ANNUAL REPORT 2015-16



Independent Auditors' Report

To the Members of

Aditya Birla Telecom Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **ADITYA BIRLA TELECOM LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st 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 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Note 15 to the financial statements;

- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("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 : 26th 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 **ADITYA BIRLA TELECOM LIMITED** (“the Company”) as of 31st 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 31st 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 : 26th 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) The Company does not have any fixed assets and hence reporting under clause (i) of the Order is not applicable.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (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) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of grant of loans, and making investments. The company has not provided guarantee.
- (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 the information and explanations given to us, in respect of statutory dues:
- The Company has been regular in depositing undisputed statutory dues, including Income-tax, Value Added Tax/Sales 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 Excise Duty, Provident Fund, Service Tax, Customs Duty, Employees’ State Insurance and Cess.
 - There were no undisputed amounts payable in respect of Income-tax, Value Added Tax/Sales Tax and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
 - There are no dues of Value Added Tax/Sales Tax as on March 31, 2016 which have not been deposited on account of any dispute. Details of dues of Income-tax which have not been deposited as on March 31, 2016 on account of disputes are given below:
- (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 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.

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (in thousand)	Amount Unpaid (in thousand)
Income Tax Act, 1961	Income-tax	Appellate Tribunal (Income Tax)	2006-07	10,540	-
Income Tax Act, 1961	Income-tax	Appellate Tribunal (Income Tax)	2009-10	24,321,015	23,721,015
Income Tax Act, 1961	Income-tax	Commissioner of Income Tax (Appeals)	2010-11	47	-
Income Tax Act, 1961	Income-tax	Commissioner of Income Tax (Appeals)	2012-13	1,998	1,998

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

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

Khurshed Pastakia

Partner

(Membership No. 31544)

Place: Mumbai

Date : 26th April, 2016

ADITYA BIRLA TELECOM LIMITED

Balance Sheet as at March 31, 2016

₹ in '000

Particulars	Note	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	119,250	119,250
Reserves and Surplus	4	80,862,470	80,478,744
		80,981,720	80,597,994
Current Liabilities			
Trade Payables (Refer Note 24)		890	105
Other Current Liabilities	5	821	577
Short Term Provisions	6	2,166	541
		3,877	1,223
TOTAL		80,985,597	80,599,217
ASSETS			
Non-Current Assets			
Non-Current Investments	7	73,307,556	73,307,556
Long-Term Loans and Advances	8	623,305	2,355,564
		73,930,861	75,663,120
Current Assets			
Current Investments	9	4,550,445	2,832,886
Inventories		544	370
Cash And Cash Equivalents	10	465	571
Short Term Loans and Advances	11	2,500,514	1,966,501
Interest Receivable (Refer Note 17)		2,768	135,769
		7,054,736	4,936,097
TOTAL		80,985,597	80,599,217
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 : 26th April, 2016

For and on behalf of the Board

Akshaya Moondra
Director

Anil Arya
Chief Financial Officer

Himanshu Kapania
Director

Mansi Gandhi
Company Secretary

ADITYA BIRLA TELECOM LIMITED

Statement of Profit & Loss for the period ended March 31, 2016

₹ in '000

Particulars	Note	For the year ended March 31, 2016	For the year ended March 31, 2015
INCOME			
Sale of Trading Goods		3,449	3,221
Revenue from Operations		3,449	3,221
Other Income	12	467,909	6,439,334
TOTAL		471,358	6,442,555
OPERATING EXPENDITURE			
Cost of Trading Goods Sold	13	3,021	2,702
Administration & other Expenses	14	2,764	2,438
		5,785	5,140
PROFIT BEFORE FINANCE CHARGES & TAXES		465,573	6,437,415
Interest on Income Tax		731	382
PROFIT/(LOSS) BEFORE TAX		464,842	6,437,033
Provision for Taxation - Current		99,370	38,315
- MAT Credit		(18,254)	-
PROFIT/(LOSS) AFTER TAX		383,726	6,398,718
Earnings Per Share of ₹ 10 each fully paid up (in ₹)	18		
Basic		38.37	639.87
Diluted		26.74	445.91
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 : 26th April, 2016

For and on behalf of the Board

Akshaya Moondra
Director

Anil Arya
Chief Financial Officer

Himanshu Kapania
Director

Mansi Gandhi
Company Secretary

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION:

Aditya Birla Telecom Limited, a 100% subsidiary of Idea Cellular Limited was incorporated on 20th December, 2005 and is in the business of purchase and sale of Data Cards. The company also holds 16% equity interest in Indus Towers Limited.

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 sale of Data Cards is recognized net of rebates, discount, Sales Tax/VAT etc. on supply of goods.

c) INVENTORIES

Inventories are valued at cost or net realizable value, whichever is lower. Cost is determined on weighted average basis.

d) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are recorded at the exchange rates prevailing at the dates of the transactions. Gains/losses arising out of fluctuation in exchange rates on settlement are recognized in the Statement of Profit and Loss.

Foreign currency monetary assets and liabilities are restated at the exchange rate prevailing at the period end and net gain/loss is adjusted to the Statement of Profit and Loss.

e) 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 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.

f) INVESTMENTS

Current Investments are stated at lower of cost or fair value in respect of each separate investment. Long-term investments are stated at cost less provision for diminution in value other than temporary, if any.

g) PROVISIONS AND CONTINGENT LIABILITIES

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.

h) EARNINGS PER SHARE

The earnings considered in ascertaining the Company's EPS comprises the Net Profit after tax, after reducing dividend on Cumulative Preference Shares for the period (irrespective of whether declared, paid or not), 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.

i) INTEREST AND DIVIDEND INCOME

Interest income is recognized on accrual basis on the outstanding amount and applicable interest rate. Dividend income is accounted once the right to receive the income is established.

Notes forming part of the Financial Statements

3. SHARE CAPITAL

a) Authorized, Issued, Subscribed and Paid-up Share Capital

Particulars	As at March 31, 2016		As at March 31, 2015	
	Numbers	₹ in '000	Numbers	₹ in '000
Authorised				
Equity Shares of ₹10 each	75,000,000	750,000	75,000,000	750,000
Compulsorily Convertible Preference Shares of ₹10 each	2,500,000	25,000	2,500,000	25,000
	77,500,000	775,000	77,500,000	775,000
Issued, Subscribed and Paid-Up				
Equity Share Capital				
Equity Shares of ₹10 each fully paid up	10,000,000	100,000	10,000,000	100,000
Compulsorily Convertible Preference Share Capital				
Compulsorily Convertible Preference Shares of ₹ 10 each fully paid up	1,925,000	19,250	1,925,000	19,250
Total	11,925,000	119,250	11,925,000	119,250

- (i) The entire paid up Equity Capital is held by the holding Company, Idea Cellular Limited and its nominee Shareholders
(ii) The entire paid up Compulsorily Convertible Preference Share Capital is held by P5 Asia Holding Investments (Mauritius) Limited

b) Rights attached to Shareholders

i) 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.

ii) Rights attached to Preference Shareholders

The Compulsorily Convertible Preference Shares (CCPS) of face value of ₹ 10/- each carries a non-cumulative preferential right of dividend at a rate equal to 0.00001% of the face value. These CCPS are convertible into equity shares at the option of the CCPS holder. On conversion into equity, the holder of CCPS has a right to 30.3125% of the total Equity Share Capital.

4 RESERVES AND SURPLUS

₹ in '000

Particulars	As at March 31, 2016	As at March 31, 2015
a) Securities Premium Account		
Balance at the beginning and end of the year	20,900,284	20,900,284
b) Reserve for Business Restructuring		
Balance at the beginning of the year	50,778,102	50,778,102
c) Surplus / (Deficit) in Statement of Profit and Loss		
Balance at the beginning of the year	8,800,358	2,401,640
Add : Profit / (Loss) during the year	383,726	6,398,718
Balance at the end of the year	9,184,084	8,800,358
Total	80,862,470	80,478,744

ADITYA BIRLA TELECOM LIMITED

Notes forming part of the Financial Statements

5 OTHER CURRENT LIABILITIES

₹ in '000

Particulars	As at March 31, 2016	As at March 31, 2015
Advance from Customers	111	111
Taxes and Other Liabilities	710	466
Total	821	577

6 SHORT TERM PROVISIONS

₹ in '000

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for Current Tax (Net of Advance Tax of ₹ 97,204 Thousands (Previous year ₹ 37,774 Thousands))	2,166	541
Total	2,166	541

7 NON CURRENT INVESTMENTS

₹ in '000

Particulars	As at March 31, 2016	As at March 31, 2015
Long-term Trade Investment (Unquoted)		
In Joint Venture		
Indus Towers Limited	73,307,556	73,307,556
190,662 (Previous year 190,662) fully paid equity shares of ₹ 1 each (This investment was Fair Valued in the Financial year ended 31st March, 2010 as a part of Scheme of Arrangement under section 391 to 394 of the Companies Act)		
Total	73,307,556	73,307,556

8 LONG-TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

₹ in '000

Particulars	As at March 31, 2016	As at March 31, 2015
MAT Credit Entitlement	18,254	-
Advance Income Tax	-	411
Taxes Paid Under Protest	605,051	2,355,153
Total	623,305	2,355,564

9 CURRENT INVESTMENTS

₹ in '000

Particulars	As at March 31, 2016	As at March 31, 2015
Investment in Units of Mutual Funds (Unquoted) (Refer Note 20)	4,550,445	2,832,886
	4,550,445	2,832,886

ADITYA BIRLA TELECOM LIMITED

Notes forming part of the Financial Statements

10 CASH AND CASH EQUIVALENTS

₹ in '000

Particulars	As at March 31, 2016	As at March 31, 2015
Cheques on hand	-	349
Balances with Banks in Current Accounts	465	222
Total	465	571

11 SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

₹ in '000

Particulars	As at March 31, 2016	As at March 31, 2015
Advance Income Tax	254	-
Taxes Paid Under Protest	1,750,259	-
Expenses paid in Advance	1	1
ICD given to Fellow subsidiary (Refer Note 17)	750,000	1,966,500
Total	2,500,514	1,966,501

12 OTHER INCOME

₹ in '000

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit on Sale of Current Investments	318,363	30,627
Interest Income (includes amount referred in Note 17)	149,546	154,088
Dividend Income (includes amount referred in Note 17)	-	6,254,619
Total	467,909	6,439,334

13 COST OF TRADING GOODS SOLD

₹ in '000

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Purchases	3,195	3,072
Decrease/(Increase) in Stock	(174)	(370)
Total	3,021	2,702

14 ADMINISTRATION & OTHER EXPENSES

₹ in '000

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Insurance	1	2
Rates and Taxes	38	27
Traveling and Conveyance	66	-
Bank Charges	1	1
Directors Sitting Fees	142	20
Legal and Professional Charges (Refer Note 19)	1,766	2,288
Audit Fees (Refer Note 19)	150	100
Expenditure on Corporate Social Responsibility (Refer Note 23)	600	-
Total	2,764	2,438

ADITYA BIRLA TELECOM LIMITED

Notes forming part of the Financial Statements

15. Contingent Liabilities:

Appeals filed for Income Tax matters not acknowledged as debt ₹ 24,333,600 thousand (Previous Year ₹ 33,473,723 thousand). This is mainly on account of tax demand due to alleged short term capital gain on the fair valuation of investment in JV done as per High Court approved scheme.

16. Particulars of loans given \ investments made \ guarantees given, as required by clause (4) of Section 186 of the Companies Act, 2013

Name	Nature	Amount (₹ in '000)	Period	Rate of Interest	Purpose
Idea Cellular Infrastructure Services Limited (ICISL)	ICD	750,000	360 days	10%	General corporate purpose

17. Disclosure in respect of Related Parties pursuant to Accounting Standard 18

List of Related Parties as on 31st March, 2016

I. Promoters of holding company

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

II. Holding Company

Idea Cellular Limited (ICL)

III. Fellow Subsidiaries

Idea Telesystems Limited (ITL)
Idea Cellular Infrastructure Services Limited (ICISL)
Idea Cellular Services Limited (ICSL)
Idea Mobile Commerce Services Limited (IMCSL)

IV. Joint Venture

Indus Towers Limited. (INDUS)

Transactions with related parties during the year ended March 31, 2016

₹ in '000

Particulars	Nature of Relationship			
	Holding Company	Fellow Subsidiary		Joint Venture
	ICL	ITL	ICISL	INDUS
Purchase of Goods		3,094 (2,963)		
Sale of Goods	3,449 (3,126)			
Dividend Received				- (6,249,900)
Interest Income			149,546 (154,085)	
ICD Given			- (1,966,500)	
ICD Repaid by			1,216,500 (33,500)	
Unsecured Loan repaid	- (1,513,522)			

(Figures in brackets are for the year ended March 31, 2015.)

ADITYA BIRLA TELECOM LIMITED

Notes forming part of the Financial Statements

Balance outstanding as on March 31, 2016

₹ in '000

Particulars	Nature of Relationship	
	Fellow Subsidiary	
	ICISL	
Interest Receivable	2,768	(135,769)
Deposits Given	750,000	(1,966,500)

(Figures in brackets are as on March 31, 2015)

18. Basic and Diluted Earnings Per Share

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Nominal value of equity share (₹)	10/-	10/-
Profit / (loss) after tax (₹ in '000)	383,726	6,398,718
Profit / (loss) attributable to equity shareholders (₹ in '000)	383,726	6,398,718
Weighted average number of equity share outstanding during the year	10,000,000	10,000,000
Basic earnings per share (₹)	38.37	639.87
Dilutive effect on weighted average number of equity shares outstanding during the year	4,349,776	4,349,776
Weighted average number of diluted equity shares	14,349,776	14,349,776
Diluted Earnings Per Share (₹)	26.74	445.91

19. Auditor's Remuneration

₹ in '000

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Statutory Audit Fees	150	100
Certification and other Services (Included in Legal and Professional Charges)	40	-

20. Details of Current Investments:

Particulars	As at March 31, 2016		As at March 31, 2015	
	Qty in '000	₹ in '000	Qty in '000	₹ in '000
	Units	Value	Units	Value
Birla Sun Life Savings Fund – Growth – Direct	12,074.01	3,547,556	3,984.47	1,049,888
Birla Sun Life Cash Plus - Growth – Direct	4,125.77	1,002,889	7,943.90	1,782,998
Total	16,199.78	4,550,445	11,928.37	2,832,886

21. Segment Reporting

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

22. The Company has 16% shareholding in Indus Towers Limited (a Company incorporated in India) as joint venture as on 31st March, 2016.

Notes forming part of the Financial Statements

- a) The proportionate share of assets, liabilities, income and expenditure of the above joint venture company are given below:

₹ in '000

Particulars	As at March 31, 2016	As at March 31, 2015
Liabilities		
Reserves and Surplus	18,596,138	19,493,403
Long-Term Borrowings	4,101,792	5,966,957
Deferred Tax Liabilities (Net)	2,674,454	2,771,891
Other Non-current Liabilities	5,455,115	5,163,429
Short-Term Borrowings	-	559,088
Other Current Liabilities	10,461,978	8,030,622
Assets		
Net Block (including CWIP)	32,241,016	32,451,293
Other Non Current Assets	5,689,762	6,153,635
Current Investments	432,000	-
Other current assets	2,926,890	3,380,653

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Revenues from Operations	25,737,414	24,130,270
Other Income	54,126	93,230
Operating Costs	14,535,784	13,692,390
EBIDTA	11,255,757	10,531,110
Finance Cost	835,390	1,130,380
Depreciation & Amortization	4,186,566	4,047,640
PBT	6,233,800	5,353,090
Taxes	2,200,960	1,945,310
PAT	4,032,840	3,407,780

- b) The proportionate share of contingent liabilities and capital commitment of the above joint venture company are given below

₹ in '000

Particulars	As at March 31, 2016	As at March 31, 2015
Contingent Liability	4,967,040	3,476,640
Capital Commitment	618,240	462,240

23. Corporate Social Responsibility Expenditure

- a. Gross amount required to be spent by the company during the year is ₹1421 Thousands
b. Amount spent during the year on

₹ in '000

Particulars	Paid	Payable	Total
Health Care Support Services	-	600	600

ADITYA BIRLA TELECOM LIMITED

24. 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.
25. Previous period figures have been regrouped / rearranged wherever necessary to conform to the current year grouping.
-

For and on behalf of the Board

Akshaya Moondra
Director

Himanshu Kapania
Director

Anil Arya
Chief Financial Officer

Mansi Gandhi
Company Secretary

Place : Mumbai
Date : 26th April, 2016

ADITYA BIRLA TELECOM 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
A) Cash Flow from Operating Activities		
Net Profit / (Loss) after tax	383,726	6,398,718
Interest on Income Tax	-	382
Provision for Current Tax (Net of Mat Credit)	81,116	38,315
Profit on sale of current investment	(318,363)	(30,627)
Interest Income	(149,546)	(154,088)
Dividend Income	-	(6,254,619)
Operating profit before working capital changes	(3,067)	(1,919)
Adjustments for changes in working capital		
(Increase)/Decrease in Inventories	(174)	(370)
(Increase)/Decrease in Long Term and Short Term Loans and Advances	(157)	(97)
Increase /(Decrease) in Trade Payables & Other Current Liabilities	1,029	(8)
Cash generated from operations	(2,369)	(2,394)
Tax paid (including TDS)	(97,588)	(37,724)
Net cash from operating activities	(99,957)	(40,118)
B) Cash Flow from Investing Activities		
Profit on Sale of Current Investments	318,363	30,627
ICD given to Fellow Subsidiary	-	(1,966,500)
ICD repaid by Fellow Subsidiary	1,216,500	33,500
Dividend Received	-	6,254,619
Interest Received	282,547	34,820
Net cash from / (used in) investing activities	1,817,410	4,387,066
C) Cash Flow from Financing Activities		
Repayment of Long Term Borrowings	-	(1,509,920)
Repayment of Short Term Borrowings	-	(3,602)
Net cash from / (used in) financing activities	-	(1,513,522)
Net increase / (decrease) in cash and cash equivalents	1,717,453	2,833,426
Cash and cash equivalents at the beginning	2,833,457	31
Cash and cash equivalents at the end	4,550,910	2,833,457

Notes to Cash Flow Statement for the year ended March 31, 2016

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

Cheques on hand	-	349
Balances with banks		
In Current Accounts	465	222
Current Investment	4,550,445	2,832,886
	4,550,910	2,833,457

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 : 26th April, 2016

For and on behalf of the Board

Akshaya Moondra
Director

Anil Arya
Chief Financial Officer

Himanshu Kapania
Director

Mansi Gandhi
Company Secretary

