

IDEA TELESYSTEMS LIMITED
ANNUAL REPORT 2014-15



Independent Auditors' Report

To the Members of
Idea Telesystems Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Idea Telesystems 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 31st March, 2015, 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 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.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) 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.
 - (f) 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 – Refer Note 20 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.

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

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 (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 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.
3. In respect of its inventory:
 - a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
4. 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.
5. 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 purchase of inventory and sale of goods. 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 fixed assets and rendering of services.
6. 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 Income Tax, Customs Duty, Value Added Tax/Sales 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, Employees' State Insurance, Excise duty, Wealth Tax, Service Tax and Cess.
 - b) There were no undisputed amount payable in respect of Income Tax, Customs Duty, Value Added Tax/Sales

Tax and other material statutory dues in arrears, as at March 31, 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 Customs Duty which have not been deposited on account of any dispute. Details of dues of Value Added Tax/Sales 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 (in Thousand)	Forum where the dispute is pending
Kerala Value Added Tax	VAT	2011-12	303	Intelligence Inspector, Squad II, Ernakulam
Uttar Pradesh Value Added Tax Act, 2008	CST	2009-10	300	Deputy Comissioner Appeal DC-12-UPE
Uttar Pradesh Value Added Tax Act, 2008	VAT	2010-11	31	Additional Commissioner Grade-2 (Appeal)
Uttar Pradesh Value Added Tax Act, 2008	VAT	2013-14	1,578	Assessing Officer, UPE

7. 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.
8. 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.
9. 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 TELESYSTEMS 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	229,089	140,371
		229,589	140,871
Non-Current Liabilities			
Deferred Tax Liabilities	5	127	91
Deposits from Customers and Others (includes amount referred in Note 21)		2,753	10
		2,880	101
Current Liabilities			
Trade Payables		82,817	395,302
Other Current Liabilities	6	32,994	46,609
Short-Term Provisions	7	291	-
		116,102	441,911
TOTAL		348,571	582,883
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	8	7,332	7,588
Long-Term Loans and Advances	9	469	6,386
		7,801	13,974
Current Assets			
Current Investments	10	195,000	330,061
Inventories	11	126,991	195,698
Trade Receivables	12	2,811	14,312
Cash and Bank Balance	13	5,144	15,020
Short-Term Loans and Advances	14	10,824	13,818
		340,770	568,909
TOTAL		348,571	582,883
Significant Accounting Policies	2		
The accompanying notes are an integral part of the Financials 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 Wakil
Director

Statement of Profit and 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			
Sales of Trading Goods		1,810,675	2,318,948
Liabilities/Provisions no longer required written back		-	17,389
Revenue from Operations		1,810,675	2,336,337
Other Income	15	33,631	17,737
TOTAL		1,844,306	2,354,074
OPERATING EXPENDITURE			
Cost of Trading Goods Sold	16	1,545,649	1,997,493
Personnel Expenditure	17	4,646	-
Selling & Distribution Expenses		27,123	13,126
Advertisement & Business Promotion Expenditure		101,047	248,382
Administration & Other Expenses	18	36,193	52,657
		1,714,658	2,311,658
PROFIT BEFORE FINANCE CHARGES, DEPRECIATION & TAXES		129,648	42,416
Interest & Finance Charges	19	2,474	2,840
Depreciation	8	256	256
PROFIT BEFORE TAX		126,918	39,320
Provision for Taxation - Current		38,164	7,718
- Deferred		36	26
PROFIT AFTER TAX		88,718	31,576
Earnings Per Share of ₹ 10/- each fully paid (in ₹)	22		
Basic		1,774.36	631.52
Diluted		1,774.36	631.52
Significant Accounting Policies	2		
The accompanying notes are an integral part of the Financials 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

Tarjani Vakil
Director

Place : Mumbai
Date : April 24, 2015

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

Idea Telesystems Limited is a 100% subsidiary of Idea Cellular Limited and is in the trading business of Data Cards, Mobile Handsets, Wireless Modems, Tablets, Electronic Devices, Terminals (Fixed or Mobile) and other end user telecommunications equipments.

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:

Revenue on account of sale of Data Cards, Mobile Handsets, Wireless Modems, Tablets, Electronic Devices, Terminals (Fixed or Mobile) and other end user telecommunications equipments is recognised net of rebates, discount, Sales Tax/VAT etc. on supply of goods.

Debts (net of security deposits outstanding there against) which remain unpaid for more than 180 days from the date of bill and/or other debts which are otherwise considered doubtful, are provided for.

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) Foreign currency transactions:

i) 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 recognised 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 the net gain/loss is recognised to the Statement of Profit and Loss.

ii) Forward contracts & other Derivatives -

Premium/discount amount on forward contract is amortised on period basis related to the contract it pertains to. Profit or loss arising on cancellation of forward exchange contract is recognised in the statement of Profit & Loss in the period in which the contract is cancelled.

Derivative contracts not covered under Accounting Standard-11 "The Effects of Changes in Foreign Exchange Rates", entered for hedging foreign currency fluctuations and interest rate risk are marked to market at each reporting date. Loss, if any, on such valuation is recognised in the Statement of Profit & Loss in that period and gain if any is not recognised as per the principle of prudence enunciated in Accounting Standard-1, "Disclosure of Accounting Policies".

e) Inventories:

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

f) Depreciation:

Depreciation on fixed assets is provided on straight line

method on the basis of estimated useful economic lives as given below:-

Tangible Assets:

Asset Category	Life
Building	30 years

g) 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 at net.

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.

h) Interest and Dividend Income:

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

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 Accounting Standard-28 "Impairment of Assets", for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less costs to sell or value in use. For the purpose of reviewing of impairment, assets are grouped at the lowest levels for which there are separate identifiable cash flows.

j) Earnings Per Share:

The earnings considered in ascertaining the Company's Earnings per Share (EPS) comprise the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. 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.

k) 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.

l) Investments:

Current Investments are stated at lower of cost or fair value in respect of each separate investment.

m) 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.

Notes forming part of the Financial Statements

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
Total	50,000	500	50,000	500

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

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	140,371	108,795
Add : Profit during the year	88,718	31,576
Balance at the end of the year	229,089	140,371

5. DEFERRED TAX LIABILITIES

Particulars	₹ in '000	
	As at March 31, 2015	As at March 31, 2014
Major components of Deferred Tax are:		
Depreciation on Fixed Assets	127	91
Total	127	91

6. OTHER CURRENT LIABILITIES

Particulars	₹ in '000	
	As at March 31, 2015	As at March 31, 2014
a) Advance from Customers	24,077	28,919
b) Taxes and Other Liabilities	8,917	17,690
Total	32,994	46,609

7. SHORT TERM PROVISIONS

Particulars	₹ in '000	
	As at March 31, 2015	As at March 31, 2014
Current Tax (Net of Advance Tax ₹ 37,873 Thousands (Previous year ₹ Nil))	291	-
Total	291	-

Notes forming part of the Financial Statements

8. FIXED ASSETS

A. Current Year

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at April 1, 2014	Additions during the year	Sale/ Adjustments during the year	As at March 31, 2015	For the year	Sale/ Adjustments during the year	As at March 31, 2015	As at March 31, 2014
Free hold Land	2,981	-	-	2,981	-	-	2,981	2,981
Building	6,808	-	-	6,808	256	-	4,351	4,607
Total	9,789	-	-	9,789	256	-	7,332	7,588

B. Previous Year

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at April 1, 2013	Additions during the year	Sale/ Adjustments during the year	As at March 31, 2014	For the year	Sale/ Adjustments during the year	As at March 31, 2014	As at March 31, 2013
Free hold Land	2,981	-	-	2,981	-	-	2,981	2,981
Building	6,808	-	-	6,808	256	-	2,201	4,607
Total	9,789	-	-	9,789	256	-	2,201	7,588

Notes forming part of the Financial Statements

9. LONG-TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

Particulars	₹ in '000	
	As at March 31, 2015	As at March 31, 2014
a) Deposits and balances with Government Authorities	469	469
b) Advance Income Tax (Net of provisions ₹ Nil (Previous year ₹ 7,718 Thousands))	-	5,917
Total	469	6,386

10. CURRENT INVESTMENTS

Particulars	₹ in '000	
	As at March 31, 2015	As at March 31, 2014
Investment in Units of Liquid Mutual Funds (Unquoted) (Refer Note 25)	195,000	330,061
Total	195,000	330,061

11. INVENTORIES

Particulars	₹ in '000	
	As at March 31, 2015	As at March 31, 2014
a) Handsets	44,453	148,622
b) Data Cards	81,695	46,636
c) Others	843	440
Total	126,991	195,698

12. TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)

Particulars	₹ in '000	
	As at March 31, 2015	As at March 31, 2014
Outstanding for a period not exceeding six months from due date (includes amount referred in Note 21)	2,811	14,312
Total	2,811	14,312

13. CASH AND BANK BALANCES

Particulars	₹ in '000	
	As at March 31, 2015	As at March 31, 2014
a) Cash on hand	18	37
b) Cheques on hand	81	5,080
c) Balances with Scheduled Banks		
- In Current Accounts	4,995	9,853
- In Deposit Accounts	50	50
Total	5,144	15,020

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
a) Advance Income Tax	233	234
b) Expenses Paid in Advance	669	2,311
c) Advance to Supplier	129	129
d) Balances with Government Authorities	8,264	9,421
e) Other Loans and Advances	1,529	1,723
Total	10,824	13,818

15. OTHER INCOME

Particulars	₹ in '000	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Rental Income	9,570	2,700
Interest Income	158	30
Profit on Sale of Mutual Funds	11,987	-
Dividend Income	11,916	15,007
Total	33,631	17,737

16. COST OF TRADING GOODS SOLD

Particulars	₹ in '000	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Purchase of Trading Goods		
- Handsets	1,047,113	1,592,939
- Data Cards	425,680	421,058
- Others	4,149	1,485
Decrease/(Increase) in inventories of Trading Goods	68,707	(17,989)
Total	1,545,649	1,997,493

17. PERSONNEL EXPENDITURE

Particulars	₹ in '000	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Salaries and Allowances etc.	4,384	-
Contribution to Provident and Other Funds	262	-
Total	4,646	-

Notes forming part of the Financial Statements

18. ADMINISTRATION & OTHER EXPENSES

Particulars	₹ in '000	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Insurance	1,936	713
Rates and Taxes	4,562	7,569
Printing and Stationery	93	177
Communication Expenses	2	15
Loss on Foreign Exchange Fluctuation (Net)	26,245	40,013
Bank Charges	785	1,378
Directors Sitting Fees	22	-
Legal and Professional Charges	1,169	1,412
Audit Fees (Refer Note 24)	337	337
Loading, Freight & Forwarding charges	1,042	1,043
Total	36,193	52,657

19. INTEREST & FINANCE CHARGES

Particulars	₹ in '000	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest	348	2
Financing Charges	2,126	2,838
Total	2,474	2,840

20. CONTINGENT LIABILITY

Particulars	₹ in '000	
	As at March 31, 2015	As at March 31, 2014
Demand raised by VAT/Sales Tax authorities for non submission of Form "F", discrepancies in transit documents and differences in closing and opening balances of closing stocks in VAT returns	2,514	2,794
Other claims not acknowledged as debts	66	-
Bank guarantees given to VAT/Sales Tax authorities	1,919	2,019

21. RELATED PARTY TRANSACTIONS

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

A. List of related parties:

Promoters of Holding Company

Hindalco Industries Limited (Hindalco)

Grasim Industries Limited (Grasim)

Aditya Birla Nuvo Limited (ABNL)

Birla TMT Holdings Pvt. Limited (Birla TMT)

Holding Company

Idea Cellular Limited (ICL)

Fellow Subsidiaries

Aditya Birla Telecom Limited (ABTL)

Idea Cellular Infrastructure Services Limited (ICISL)

Idea Cellular Services Limited (ICSL)

Idea Mobile Commerce Services Limited (IMCSL)

Joint venture of Fellow Subsidiary

Indus Towers Limited (Indus)

Notes forming part of the Financial Statements

B. Transactions with Related Parties:

₹ in '000

Nature of Transaction	Holding Company	Fellow Subsidiaries	
	ICL	ABTL	ICSL
Sale of Trading goods	90,599 (71,307)	2,963 (1,105)	- (-)
Purchase of Trading goods	- (-)	- (4,611)	- (-)
Rent Received	9,570 (2,700)	- (-)	- (-)
Purchase of Services	- (-)	- (-)	6,544 (5,572)
Expenditure incurred on Company's behalf by	4,646 (109)	- (-)	- (-)

(Figures in bracket are for the year ended March 31, 2014)

C. Outstanding Balances as at March 31, 2015:

₹ in '000

Nature of Transaction	Holding Company	Fellow Subsidiaries	
	ICL	ABTL	ICSL
Trade Receivable	1,819 (12,657)	- (-)	- (-)
Security Deposit Received	2,393 (-)	- (-)	- (-)

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

22. 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 After Tax (₹ in '000)	88,718	31,576
Profit Attributable to Equity Shareholders (₹ in '000)	88,718	31,576
Number of Equity Shares outstanding during the year (in '000)	50	50
Basic & Diluted Earnings Per Share (₹)	1,774.36	631.52

23. As of March 31, 2015 no amounts are payable to Micro, Small, and Medium Enterprises (SMEs) within the meaning of the Micro, Small and Medium Enterprises Development Act, 2006.

24. AUDITORS' REMUNERATION (INCLUDING SERVICE TAX)

₹ in '000

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Statutory Audit Fees	337	337

Notes forming part of the Financial Statements

25. DETAILS OF CURRENT INVESTMENTS

Particulars	As at March 31, 2015		As at March 31, 2014	
	Qty in '000	₹ in '000	Qty in '000	₹ in '000
	Units	Value	Units	Value
Birla Sun Life Cash Plus – Daily Dividend - Direct Plan	-	-	3,294	330,061
Birla Sun Life Cash Plus - Growth - Direct Plan	869	195,000	-	-
Total	869	195,000	3,294	330,061

26. DETAILS OF FOREIGN CURRENCY EXPOSURES

A. Hedged by a Derivative Instrument:

Particulars	As at March 31, 2015		As at March 31, 2014	
	USD in '000	₹ in '000	USD in '000	₹ in '000
Trade Payables	127	7,928	3,946	248,666

B. Not Hedged by a Derivative Instrument or otherwise:

	As at March 31, 2015		As at March 31, 2014	
	USD in '000	₹ in '000	USD in '000	₹ in '000
Trade Payables	232	14,516	1,372	84,821

27. CIF VALUE OF IMPORTS

Particulars	₹ in '000	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Trading Goods	1,473,175	2,009,185

28. During the financial year under review there were no employees on the rolls of the company. The selling and distribution activities have been performed using manpower services mainly taken from Idea Cellular Services Limited (ICSL), a company providing manpower services. The cost has accordingly been booked as Selling and Distribution Expenses. Further, some personnel from Idea Cellular Limited (ICL) have also been deployed for the administrative and compliance work of the company for which expenses are being reimbursed to ICL and are being booked under the head Personnel Expenditure.

29. 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”.

30. 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

Tarjani Vakil
Director

Place : Mumbai
Date : April 24, 2015

IDEA TELESYSTEMS 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/(Loss) after Tax	88,718	31,576
Adjustments For		
Depreciation	256	256
Interest and Financing charges	2,474	2,840
Profit on sale of Current Investment	(11,987)	-
Provision for Deferred Tax	36	26
Provision for Current Tax	38,164	7,718
Liability no longer required written back	-	(17,389)
Interest Income	(158)	(30)
Dividend Income	(11,916)	(15,007)
Operating Profit before Working Capital Changes	105,587	9,990
Adjustments for Changes in Working Capital		
(Increase)/Decrease in Trade Receivables	11,501	(6,389)
(Increase)/Decrease in Inventories	68,707	(17,989)
(Increase)/Decrease in Long Term and Short Term Loans and Advances	2,993	18,525
Increase/(Decrease) in Trade Payables, Other Current Liabilities and Provisions	(323,658)	36,775
Cash Generated from Operations	(134,870)	40,912
Tax (Paid)/Refund received including TDS and Interest on Refund (Net)	(31,803)	(10,760)
Net Cash from/(used in) Operating Activities	(166,673)	30,152
B) Cash Flow from Investing Activities		
Profit on sale of Current Investments	11,987	-
Interest & Dividend Received	11,922	15,037
Net cash from/(used in) Investing activities	23,909	15,037
C) Cash Flow from Financing Activities		
Financing Charges	(2,173)	(2,840)
Net Cash from/(used in) Financing Activities	(2,173)	(2,840)
Net Increase/(Decrease) in Cash and Cash Equivalents	(144,937)	42,349
Cash and Cash Equivalents at the beginning	345,081	302,732
Cash and Cash Equivalents at the end	200,144	345,081

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

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

Cash on Hand	18	37
Cheques on Hand	81	5,080
Balances with Banks		
- In Current Accounts	4,995	9,853
- In Deposit Accounts	50	50
Current Investment	195,000	330,061
	200,144	345,081

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

Tarjani Vakil
Director

Place : Mumbai
Date : April 24, 2015

