

Reliance Payment Solutions Limited
2016-17

Independent Auditor's Report

To The Members of Reliance Payment Solutions Limited

Report on the Standalone Ind AS Financial Statements

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

Management’s Responsibility for the Standalone Ind AS Financial Statements

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

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

Auditors’ Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

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

Other Matters

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

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

Independent Auditor's Report (Contd.)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India, in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Profit and Loss Statement including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its standalone Ind AS financial position in its financial statements.
 - (ii) The Company does not have any foreseeable losses on long-term contracts including derivative contracts, if any, in respect of which any provision is required to be made under the applicable law and Accounting Standards.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - (iv) The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Refer Note 6.1 to the standalone Ind AS financial statements.

For **Chaturvedi & Shah**
Chartered Accountants
(Registration No. 101720W)

R. Koria
Partner
Membership No.: 035629

Place: Mumbai
Date: April 21, 2017

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of Reliance Payment Solutions Limited on the standalone Ind AS financial statements for the year ended 31st March, 2017)

- i. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, all the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. The Company does not have any immovable property and accordingly, the provisions of Clause (i) (c) of paragraph 3 of the Order are not applicable to the Company.
- ii. The Company does not have any inventories and accordingly, the provisions of Clause (ii) of paragraph 3 of the Order are not applicable to the Company.
- iii. There are no loans, secured or unsecured, granted by the Company to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loan and it has not made any investments or given any guarantee or security on which the provisions of Section 185 and 186 of the Companies Act, 2013 applies. Accordingly, the provisions of Clause (iv) of paragraph 3 of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposit. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- vi. According to the information and explanations given to us, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of activities carried on by the Company and accordingly, the provisions of Clause (vi) of paragraph 3 of the Order are not applicable to the Company.
- vii. In respect of statutory dues:
 - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2017 for a period of more than six months from the date of becoming payable.
 - b. There were no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, as applicable, which have not been deposited on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to debenture holders. The Company has no dues to financial institution, bank and government.
- ix. To the best of our knowledge and belief and according to the information and explanations given to us, during the year the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) or term loan.
- x. In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, during the year no managerial remuneration has been paid or provided by the Company. Therefore, the provisions of Clause (xi) of paragraph 3 of the Order are not applicable to the Company.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of Clause (xii) of paragraph 3 of the Order are not applicable to the Company.

Annexure "A" To The Independent Auditor's Report (Contd.)

- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Therefore, the provisions of Clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Therefore, the provisions of Clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of Clause (xvi) of paragraph 3 of the Order are not applicable to the Company.

For **Chaturvedi & Shah**
Chartered Accountants
(Registration No. 101720W)

R. Koria
Partner
Membership No.: 035629

Place: Mumbai
Date: April 21, 2017

Annexure "B" To The Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Reliance Payment Solutions Limited on the standalone Ind AS financial statements for the year ended 31st March, 2017)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Reliance Payment Solutions Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Annexure "B" To The Independent Auditor's Report (Contd.)

Opinion

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

For **Chaturvedi & Shah**
Chartered Accountants
(Registration No. 101720W)

R. Koria
Partner
Membership No.: 035629

Place: Mumbai
Date: April 21, 2017

Balance Sheet as at 31st March 2017

	Notes	As at 31st March, 2017	As at 31st March, 2016	Rs in lakhs As at 1st April, 2015
	1	2	3	4
ASSETS				
Non Current Assets				
Property, Plant and Equipment	1	523.67	412.26	448.43
Capital Work in Progress	1	54,285.22	39,952.01	12,205.71
Intangible Assets	1	322.99	452.11	581.24
Intangible Assets under Development	1	6,799.60	2,594.50	356.97
Financial Assets				
Other Financial Assets	2	79.67	25.10	10.61
Other Non Current Assets	3	-	155.58	1,542.96
Total Non-Current Assets		62,011.15	43,591.56	15,145.92
Current Assets				
Financial Assets				
Investments	4	6,382.81	9,613.31	418.39
Trade Receivables	5	10.41	-	-
Cash and Cash Equivalents	6	2,642.05	19.46	16.78
Bank Balances Other than Above	6	4,501.90	88.68	3.21
Other Financial Assets	7	2,733.75	16.12	-
Current Tax Assets (net)	8	7.43	3.71	3.34
Other Current Assets	9	7,757.25	5,360.75	1,747.80
Total Current Assets		24,035.60	15,102.03	2,189.52
Total Assets		86,046.75	58,693.59	17,335.44
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	10	11,500.00	11,500.00	10,000.00
Other Equity	11	50,999.90	44,536.96	3,150.61
Total equity		62,499.90	56,036.96	13,150.61
LIABILITIES				
Non - Current Liabilities				
Financial Liabilities				
Borrowings	12	-	-	600.00
Provisions	13	30.15	2.69	-
Total Non-Current Liabilities		30.15	2.69	600.00
Current liabilities				
Financial Liabilities				
Trade Payables	14	-	-	0.59
Other Financial Liabilities	15	21,662.78	2,397.25	2,929.12
Other Current Liabilities	16	723.18	253.36	655.12
Provisions	17	1,130.74	3.33	-
Total Current Liabilities		23,516.70	2,653.94	3,584.83
Total Liabilities		23,546.85	2,656.63	4,184.83
Total Equity and Liabilities		86,046.75	58,693.59	17,335.44

Significant accounting policies

See accompanying notes to the Financial Statements 1 to 34

As per our Report of even date

For and on behalf of the Board

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No: 101720W

Kiran Thomas
Director
DIN 02242745

Bhama Krishnamurthy
Director
DIN: 02196839

R. Koria
Partner
Membership No: 035629

Rajneesh Singhvi
Chief Financial Officer
PAN: APCPS8770C

Ravikant Chaturvedi
Company Secretary
Membership No: A46850

Place: Mumbai
Date: April 21, 2017

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

	Notes	2016-17	Rs in lakhs 2015-16
INCOME			
Revenue From Operations	18	206.17	4.75
Other Income	19	337.48	374.01
Total Income		543.65	378.76
EXPENSES			
Employee Benefit Expense	20	272.21	-
Depreciation and Amortization Expense		223.22	216.61
Other Expenses	21	3,580.87	275.80
Total Expenses		4,076.30	492.41
Net Loss for the year		(3,532.65)	(113.65)
Other Comprehensive Income		(4.41)	-
Items that will not be reclassified to profit or loss	32	(4.41)	-
Total Comprehensive Income for the period		(3,537.06)	(113.65)
Earnings per equity share of face value of Rs 10 each (for continuing operation):			
(1) Basic (in Rupees)	26	(3.07)	(0.11)
(2) Diluted (in Rupees)	26	(3.07)	(0.11)
Significant accounting policies See accompanying notes to the Financial Statements	1 to 34		

As per our Report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No: 101720W

R. Koria
Partner
Membership No: 035629

Place: Mumbai
Date: April 21, 2017

For and on behalf of the Board

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PAN: APCPS8770C

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Director
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Ravikant Chaturvedi
Company Secretary
Membership No: A46850

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

A EQUITY SHARE CAPITAL					Rs. in lakhs
	Balance at the beginning of the reporting period i.e. 1st April, 2015	Changes in equity share capital during the year 2015-16	Balance at the end of the reporting period i.e. 31st March, 2016	Changes in equity share capital during the year 2016-17	Balance at the end of the reporting period i.e. 31st March, 2017
	10,000.00	1,500.00	11,500.00	-	11,500.00
B OTHER EQUITY					Rs. in lakhs
	Notes	Equity component of compound financial instruments	Reserves and Surplus Retained Earnings	Items of Other Comprehensive Income Actuarial Gain/(Loss)	Total
As on 1st April, 2015					
Balance at the beginning of the reporting period		3,500.00	(350.98)	-	3,149.02
Impact of first time adoption of Ind AS		-	1.59	-	1.59
Restated balance at the beginning of the reporting period		3,500.00	(349.39)	-	3,150.61
Balance at the beginning of the reporting period		3,500.00	(349.39)	-	3,150.61
Addition during the year		41,500.00	-	-	41,500.00
Total (Loss) for the year		-	(113.65)	-	(113.65)
As on 31st March, 2016		45,000.00	(463.04)	-	44,536.96
Balance at the beginning of the reporting period		45,000.00	(463.04)	-	44,536.96
Addition during the year		10,000.00	-	-	10,000.00
Transfer to retained earnings		-	(3,532.65)	(4.41)	(3,537.06)
As on 31st March, 2017		55,000.00	(3,995.69)	(4.41)	50,999.90

As per our Report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No: 101720W

R. Koria
Partner
Membership No: 035629

Place: Mumbai
Date: April 21, 2017

For and on behalf of the Board

Kiran Thomas
Director
DIN 02242745

Rajneesh Singhvi
Chief Financial Officer
PAN: APCPS8770C

Bhama Krishnamurthy
Director
DIN: 02196839

Ravikant Chaturvedi
Company Secretary
Membership No: A46850

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

	2017	Rs in lakhs 2016
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before Tax as per Profit and Loss Statement	(3,532.65)	(113.65)
Adjusted for:		
Fees for increase in Authorised Share Capital	-	23.75
Depreciation and Amortisation Expense	223.22	216.61
(Gain) / Loss on fair valuation of Investments (Net)	46.00	(65.04)
(Profit)/ Loss on Sale of Investments (Net)	(371.50)	(307.70)
Interest Income	(9.90)	(1.26)
Effect of Exchange Rate Change	(161.44)	-
	<u>(273.62)</u>	<u>(133.64)</u>
Operating Profit before Working Capital Changes	(3,806.27)	(247.29)
Adjusted for:		
Trade and Other Receivables	(5,178.26)	(3,641.69)
Trade and Other Payables	7,991.94	(260.45)
	<u>2,813.68</u>	<u>(3,902.14)</u>
Cash Generated from Operations	(992.59)	(4,149.43)
Taxes Paid (Net)	(3.72)	(0.36)
Net Cash flow (used in) Operating Activities	(996.31)	(4,149.79)
B: CASH FLOW FROM INVESTING ACTIVITIES		
Payment for Property, Plant and Equipment (Including movement in Capital Work in Progress and Intangible Assets Under Development)	(15,532.92)	(29,287.75)
Purchase of Investments	(22,367.00)	(42,341.50)
Sale of Investments	25,923.00	33,519.33
Margin money / Escrow & Nodal balance with Banks	(4,413.22)	(85.47)
Interest Income	9.04	-
Net Cash flow (used in) Investing Activities	(16,381.10)	(38,195.39)
C: CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity shares	-	1,500.00
Fees for increase in Authorised Share Capital	-	(23.75)
Proceeds from issue of 0% Optionally Fully Convertible Debentures	10,000.00	41,500.00
Repayment of Long Term Borrowings	-	(600.00)
Interest Paid	-	(28.39)
Application money for 0% Optionally Fully Convertible Debentures not allotted	10,000.00	-
Net Cash flows from Financing Activities	20,000.00	42,347.86
Net (Decrease)/ Increase in Cash and Cash Equivalents	2,622.59	2.68
Opening Balance of Cash and Cash Equivalents	19.46	16.78
Closing Balance of Cash and Cash Equivalents (Refer Note "6")	2,642.05	19.46

As per our Report of even date

For and on behalf of the Board

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No: 101720W

Kiran Thomas
Director
DIN 02242745

Bhama Krishnamurthy
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R. Koria
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Chief Financial Officer
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Ravikant Chaturvedi
Company Secretary
Membership No: A46850

Place: Mumbai
Date: April 21, 2017

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

A. CORPORATE INFORMATION

Reliance Payment Solutions Limited (“the Company”) is a limited company incorporated in India having its registered office and principal place of business at 5th Floor, Court House, Lokmanya Tilak Marg, Dhobi Talao, Mumbai - 400002, Maharashtra, India.

Description of the principal activities of the company:

The Company has been granted Certificate of Authorisation by the Reserve Bank of India to operate payment system for mobile based semi-closed prepaid payment instruments services in India known as Jio Money w.e.f. September 18, 2013. The company is involved in the business of issuance, servicing and dealing in all kinds of payments products, some of which are governed by the above license issued by RBI. As on date, the company is still in developing and testing phase of its payments platform and has not yet started the full scale operations, as is expected by management.

The company is also developing the platform and system whereby it will offer other financial services products viz. coupon management system, loyalty programs, bill payment facilities etc. to its customers/partners. The company has been engaging various business partners, agents and merchants to facilitate its business of payments processing.

The company has received a license from Insurance Regulatory and Development Authority to operate as Corporate Agent in the current financial year that will enable the company to distribute insurance products of the partner companies. As on date this business has not yet commenced.

B. ACCOUNTING POLICIES

B.1 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair values amount :

- i) Certain Financial Assets and Liabilities measured at Fair value.
- ii) Defined benefits plans - plan measured at Fair value

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

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirement of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

These Financial Statements are the Company’s first Ind AS financial statements and are covered by Ind AS 101- First time adoption of Indian Accounting standards.

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

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, Plant & Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost include purchase price, taxes and duties, borrowing costs, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

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

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

Depreciation on property, plant and equipment is provided using straight line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life not prescribed in Schedule II are used;

Point of Sale Devices - 2 years Life

(b) Intangible assets

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

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

impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets is, as follows:

Particular	Depreciation
Computer Software:	Over a period of 5 years on Straight Line Method

(c) Research and Development Expenses

Revenue expenditure pertaining to research is charged to the Profit and Loss Statement. Development costs of products are charged to the Profit and Loss Statement unless a product's technological feasibility has been established, in which case such expenditure is capitalised.

(d) Borrowings Cost

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

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

All other borrowing costs are charged to the Profit and Loss Statement in the period in which they are incurred.

(e) Impairment of non-financials assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of operations.

(f) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(g) Employee Benefits

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

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

Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

Defined Benefit Plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Actuarial gains and losses in respect of post-employment and other long term benefits are proportionately charged to the Other Comprehensive Income and Project Development Expenditure.

(h) Taxation

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

- Current tax

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

- Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. (Refer Note 24)

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

(i) Cash and cash equivalents

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

(j) Foreign Currencies

Transactions and balances

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

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated transaction reversals, rebates and other similar allowances.

Rendering of services

The company recognises income from services when the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of

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

completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the entity;
- (c) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Commission income

Commission income is recognised on accrual basis based on the stage of completion of the payment processed.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(I) Financial instruments

Financial Assets

A. Initial recognition and measurement

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

B. Subsequent measurement

Financial assets carried at amortised cost (AC)

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

Financial assets at fair value through other comprehensive income (FVTOCI)

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

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model to the following:

- a. Financial assets at amortised cost
- b. Financial assets measured at fair value through Other Comprehensive income

The company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The company uses historical loss experience to determine the impairment loss allowance on the portfolio of trade receivables. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has

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

increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL

Financial liabilities

A. Initial recognition and measurement:

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

B. Subsequent measurement:

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

Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

C. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

a) Depreciation and useful lives of property plant and equipment

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

b) Recoverability of trade receivable

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

c) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

d) Impairment of Non financial Assets

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

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

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

e) Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

D. FIRST TIME ADOPTION OF IND AS

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

a) Exemptions from retrospective application

(i) Fair value as deemed cost exemption

The Company has elected to measure any item of property, plant and equipment at its carrying value at the transition date except for certain assets which are measured at fair value as deemed cost.

(ii) Cumulative translation differences

The Company has chosen to apply this election and has eliminated the cumulative translation difference and adjusted retained earnings by the same amount at the date of transition to Ind AS.

b) Exceptions from full retrospective application

(i) Estimates exception

Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise the estimates under Ind AS except where estimates were required by Ind AS and not required by Indian GAAP.

(ii) Derecognition of financial assets and liabilities exception

Financial assets and liabilities derecognized before transition date are not re-recognised under Ind AS.

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

1. (I) Property, Plant and Equipment (Rs. in lakhs)

Description	Gross block						Depreciation				Net block			
	As at 1st April, 2015	Impact on IND AS Transition	Additions/ Adjustments	As at 1st April, 2016	Additions/ Adjustments	As at 31st March, 2017	Deductions/ Adjustments	As at 1st April, 2016	For the year	Deductions/ Adjustments	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	
Own Assets:														
Plant and Equipments	547.50	-	57.49	604.99	232.99	837.98	-	193.08	121.54	314.62	411.91	448.04		
Furniture and fixtures (Depreciation Rs. 10)	0.39	-	-	0.39	-	0.39	-	0.04	0.04	0.08	0.35	0.39		
Total	547.89	-	57.49	605.38	232.99	838.37	-	193.12	121.58	314.70	412.26	448.43		
Previous Year Figures	542.06	-	5.83	547.89	57.49	605.38	-	99.46	93.66	193.12	448.43	-		

(II) Other Intangible assets (Rs. in lakhs)

Description	Gross block						Amortisation				Net block			
	As at 1st April, 2015	Impact on IND AS Transition	Additions/ Adjustments	As at 1st April, 2016	Deductions/ Adjustments	As at 31st March, 2017	As at 1st April, 2015	For the year	Deductions/ Adjustments	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015		
Software*	645.62	-	-	645.62	-	645.62	64.38	129.13	129.12	322.63	452.11	581.24		
Total	645.62	-	-	645.62	-	645.62	64.38	129.13	129.12	322.63	452.11	581.24		
Previous Year Figures	-	-	-	645.62	-	645.62	-	64.38	129.13	193.51	452.11	581.24		
*Other than internally generated														
Capital Work-in-Progress														
Total														
Intangible Assets Under Development														
Total														

54,285.22 39,952.01 12,205.71

6,799.60 2,594.50 356.97

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

1.1 Capital Work in Progress and Intangible Assets under Development:

The Company is involved in activities relating to the development of the business of issue, servicing and dealing in all kinds of payment products. The expenditure incurred for the said activities are classified as Project Development Expenditure pending capitalisation forming part of Capital Work in Progress and Intangible Assets under Development. In view of this, the Company continued to capitalise the expenses comprising of Capital Work in Progress amounting to Rs. 54285.22 lakhs (Previous year Rs. 39952.01 lakhs and as at 1st April, 2015 Rs 12205.71 Lakhs) and Intangible Assets under Development amounting to Rs. 6799.60 lakhs (Previous year Rs. 2594.50 lakhs and as at 1st April, 2015 Rs 356.97 Lakhs).

Capital Work in Progress includes :

- (a) Rs. 4760.43 Lakhs (Previous year Rs. 12853.15 Lakhs and as at 1st April, 2015 Rs 3489.69 Lakhs) on account of capital goods inventory.
- (b) Rs. Nil (Previous Year (Rs. 231.10 Lakhs) and as at 1st April, 2015 Rs 25.41 Lakhs) on account of foreign currency exchange gain (net).
- (c) Rs. 26627.08 Lakhs (Previous Year Rs 16668.23 Lakhs and as at 1st April, 2015 Rs 8336.81 Lakhs) as Other Platform Development Expenses.

Intangible Assets under Development includes:

- (a) Rs. 6799.60 Lakhs (Previous Year Rs. 2594.50 Lakhs and as at 1st April, 2015 Rs 356.97 Lakhs) on account of Project Development Expenditure.

Project Development Expenditure as detailed below:

	2016-17	2015-16	(Rs. in lakhs) 2014-15
Opening Balance	2,594.50	356.97	589.86
Add :			
Professional Fees	2,053.26	2,069.35	301.69
Software License Fees	10.05	3.65	15.87
Salaries and wages	1,881.57	109.67	-
Contribution to Provident and other funds	120.39	7.09	-
Staff welfare expenses	98.71	5.95	-
Interest expense	-	15.27	13.25
Depreciation	27.48	6.18	43.03
Rent	-	-	6.81
Repairs and Maintenance	-	17.56	16.14
Net (gain) / loss on foreign currency transaction	10.12	(12.51)	15.94
General Expenses	3.52	15.32	-
Less : Transfer to Intangible Assets	-	-	(645.62)
Closing Balance	<u>6,799.60</u>	<u>2,594.50</u>	<u>356.97</u>

	As at 31st March, 2017	As at 31st March, 2016	(Rs. in lakhs) As at 1st April, 2015
2 Other Financial Assets - Non Current			
Margin Money Deposit	10.00	10.00	10.00
Security deposits	67.56	14.05	0.50
Interest accrued on deposits	2.11	1.05	0.11
Total	<u>79.67</u>	<u>25.10</u>	<u>10.61</u>

2.1 Rs 10.00 lakhs Margin money deposit held with bank against bank guarantee issued with maturity of more than 12 months and maturing on 20.02.2020.

2.2 Carried at amortised cost.

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

	As at 31st March, 2017	As at 31st March, 2016	(Rs. in lakhs) As at 1st April, 2015
3 Other Non current assets <i>(Unsecured and Considered Good)</i>			
Capital advances	-	155.58	1,542.96
Total	<u>-</u>	<u>155.58</u>	<u>1,542.96</u>
			(Rs. in lakhs)
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
4 Current Investments			
Unquoted			
Financial assets measured at fair value through profit and loss (FVTPL)			
Investments in units of Mutual Funds-Unquoted-fully paid up	6,382.81	9,613.31	418.39
250,730 (Previous year 404,587 and as at 1st April, 2015 19,055) units of SBI-Premier Liquid Fund Regular Plan - Growth Option (Face value of Rs. 1000 each)			
Total	<u>6,382.81</u>	<u>9,613.31</u>	<u>418.39</u>
Category wise current investment			
Financial assets measured at fair value through profit and loss (FVTPL)	6,382.81	9,613.31	418.39
Aggregate amount of Unquoted Investments	6,382.81	9,613.31	418.39
4.1 Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets have been classified as FVTPL.			
5 Trade Receivables <i>(Unsecured and Considered Good)</i>			(Rs. in lakhs)
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade Receivables	10.41	-	-
	<u>10.41</u>	<u>-</u>	<u>-</u>
5.1 The average credit period is 30 days.			
			(Rs. in lakhs)
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
6 Cash and Bank Balances			
Cash and Cash Equivalent			
Balance with banks in current accounts	2,642.05	19.46	16.78
Total	<u>2,642.05</u>	<u>19.46</u>	<u>16.78</u>
Other bank balances			
Balance with bank in Escrow and Nodal Account	3,826.67	76.53	3.21
Core portion of Escrow Interest Bearing Deposit	675.23	12.15	-
Total	<u>4,501.90</u>	<u>88.68</u>	<u>3.21</u>

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

6.1 Disclosure on specified bank notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 is as under:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	NIL	NIL	NIL
(+) Permitted receipts	NIL	NIL	NIL
(-) Permitted payments	NIL	NIL	NIL
(-) Amount deposited in Banks	NIL	NIL	NIL
Closing cash in hand as on 30.12.2016	NIL	NIL	NIL

	As at 31st March, 2017	As at 31st March, 2016	(Rs. in lakhs) As at 1st April, 2015
7 Other Financial Assets - Current <i>(Unsecured and Considered Good)</i>			
Settlement amount receivable	2,733.75	15.92	-
Interest accrued on deposits	-	0.20	-
Total	<u>2,733.75</u>	<u>16.12</u>	<u>-</u>

	As at 31st March, 2017	As at 31st March, 2016	(Rs. in lakhs) As at 1st April, 2015
8 Current Tax Assets (Net)			
Advance income tax (net of provision)	7.43	3.71	3.34
Total	<u>7.43</u>	<u>3.71</u>	<u>3.34</u>
Advance income tax (net of provision)			
At the start of the year	3.71	3.34	3.34
Addition during the year	4.30	0.37	-
Refund received	(0.58)	-	-
At the end of the year	<u>7.43</u>	<u>3.71</u>	<u>3.34</u>

	As at 31st March, 2017	As at 31st March, 2016	(Rs. in lakhs) As at 1st April, 2015
9 Other Current Assets <i>(Unsecured and Considered Good)</i>			
Unbilled Revenue	24.61	2.14	-
Balance with service tax/ sales tax authorities, etc.	7,198.23	2,685.17	128.29
Others	534.41	2,673.44	1,619.51
Total	<u>7,757.25</u>	<u>5,360.75</u>	<u>1,747.80</u>

9.1 Others include CENVAT credit pending for availment of Rs. 436.78 Lakhs (Previous Year Rs. 2666.38 Lakhs and as at 1st April, 2015 Rs 1593.88 Lakhs) and Advance to vendor.

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

		As at 31st March, 2017	As at 31st March, 2016	(Rs. in lakhs) As at 1st April, 2015
10 Share capital				
Authorised:				
12,50,00,000	Equity shares of Rs.10 each	12,500.00	12,500.00	10,000.00
(12,50,00,000)				
(10,00,00,000)				
Total		12,500.00	12,500.00	10,000.00
Issued, subscribed and paid-up:				
11,50,00,000	Equity shares of Rs.10 each fully paid up	11,500.00	11,500.00	10,000.00
(11,50,00,000)				
(10,00,00,000)				
Total		11,500.00	11,500.00	10,000.00

Note:

- 10.1** All the above 11,50,00,000 (Previous Year 11,50,00,000 and as at 1st April, 2015 10,00,00,000) equity shares of Rs.10 each fully paid up are held by Reliance Industrial Investments and Holdings Limited, the holding company including those held with its nominees.
- 10.2** The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to the number of equity shares held by them.

10.3 Reconciliation of number of shares outstanding at the beginning and at the end of the year :

	2016-17		2015-16		2014-15	
	No. of Shares	Rs. in lakhs	No. of Shares	Rs. in lakhs	No. of Shares	Rs. in lakhs
Equity shares outstanding at the beginning of the year	11,50,00,000	11,500.00	10,00,00,000	10,000.00	88,92,000	889.20
Add: Equity shares issued during the year	-	-	1,50,00,000	1,500.00	9,11,08,000	9,110.80
Equity shares outstanding at the end of the year	11,50,00,000	11,500.00	11,50,00,000	11,500.00	10,00,00,000	10,000.00

10.4 Details of Shareholders holding more than 5% shares in the company including those held by holding company:

Name of the Shareholder	Equity Shares					
	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No of Shares	% holding	No of Shares	% holding	No of Shares	% holding
Reliance Industrial Investments and Holdings Limited including those held with its nominees	11,50,00,000	100%	11,50,00,000	100%	10,00,00,000	100%
	11,50,00,000	100%	11,50,00,000	100%	10,00,00,000	100%

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

	As at 31st March, 2017	As at 31st March, 2016	(Rs. in lakhs) As at 1st April, 2015
11 Other Equity			
Surplus in the Statement of Profit and Loss			
As per last Balance Sheet	(463.04)	(349.39)	(139.16)
Add: Profit/ (Loss) for the year	(3532.65)	(113.65)	(211.82)
Financial assets measured at fair value through profit and loss (FVTPL)	-	-	1.59
Add: Other comprehensive income	(4.41)	-	-
	<u>(4000.10)</u>	<u>(463.04)</u>	<u>(349.39)</u>
Equity component of compound financial instruments			
0% Optionally Fully Convertible Debentures			
As per last Balance Sheet	45,000.00	3,500.00	-
Add: Issued during the year	10,000.00	41,500.00	3,500.00
	<u>55,000.00</u>	<u>45,000.00</u>	<u>3,500.00*</u>
Total	<u>50,999.90</u>	<u>44,536.96</u>	<u>3,150.61</u>

11.1 Each Debenture shall, at the option of the Issuer/ Company, be fully convertible into one Equity Share of Rs. 10/- each at par. The outstanding amount of debentures, if not opted for conversion shall be repayable, at the end of 10 years from the date of allotment or such other period as may be decided by the Company/Issuer. The above debentures have been issued to Holding Company, Reliance Industrial Investments & Holdings Limited.

Date of Maturity	Amount (Rs in Lakhs)
18th January 2027	10,000.00
29th March 2026	22,000.00
15th December 2025	13,000.00
25th May 2025	6,500.00
26th March 2025	3,500.00
	<u>55,000.00</u>

*The terms of the debentures which were outstanding as on 31st March, 2015 and 31st March, 2016 were amended in order to bring them at par with the debentures allotted during the current year.

	As at 31st March, 2017	As at 31st March, 2016	(Rs. in lakhs) As at 1st April, 2015
12 Non Current Borrowings			
Unsecured			
Loan from related party	-	-	600.00
	<u>-</u>	<u>-</u>	<u>600.00</u>

12.1 Loan is from Holding company Reliance Industrial Investments and Holdings Limited.

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

	As at 31st March, 2017	As at 31st March, 2016	(Rs. in lakhs) As at 1st April, 2015
13 Provisions- Non Current			
Provisions for employee benefits (Refer Note 32)	30.15	2.69	-
Total	<u>30.15</u>	<u>2.69</u>	<u>-</u>
	As at 31st March, 2017	As at 31st March, 2016	(Rs. in lakhs) As at 1st April, 2015
14 Trade Payables			
Trade Payables	-	-	0.59
Total	<u>-</u>	<u>-</u>	<u>0.59</u>
14.1 Disclosures relating to amount unpaid as at year end together with interest paid/ payable to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been determined based on the available information with the company and are as under:			
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1. Principal amount due and remaining unpaid	-	-	-
2. Interest due thereon	-	-	-
3. Interest paid by the Company on all delayed payments under MSMED Act	-	-	-
4. Payment made beyond the appointed day during the year	-	-	-
5. Interest due and payable for the period of delay other than (3) above	-	-	-
6. Interest accrued and remaining unpaid	-	-	-
7. Further Interest remaining due and payable in succeeding years	-	-	-
	As at 31st March, 2017	As at 31st March, 2016	(Rs. in lakhs) As at 1st April, 2015
15 Other Financial Liabilities			
Interest accrued but not due on borrowings	-	-	13.12
Creditors for capital items / expenditure	5,147.18	2,253.30	2,908.55
Customer / Agent / Merchant Balances	4,966.23	59.60	2.26
Other vendors payable	1,549.37	84.35	5.19
Application money received for 0% Optionally Fully Convertible Debentures pending allotment	10,000.00	-	-
Total	<u>21,662.78</u>	<u>2,397.25</u>	<u>2,929.12</u>

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

	As at 31st March, 2017	As at 31st March, 2016	(Rs. in lakhs) As at 1st April, 2015
16 Other Current Liabilities			
Other payables	723.18	253.36	655.12
Total	723.18	253.36	655.12
16.1 Other payables include Statutory and Employee related dues.			
	As at 31st March, 2017	As at 31st March, 2016	(Rs. in lakhs) As at 1st April, 2015
17 Provision- Current			
Provision for customer incentive	1,099.09	-	-
Provision for employee benefit (Refer Note 32)	31.65	3.33	-
Total	1,130.74	3.33	-
17.1 Provision for customer incentive is based on the offer of Rs. 50 cash back for each Jio Prime recharge and are pending utilisation.			
		2016-17	(Rs. in lakhs) 2015-16
18 Revenue from operations			
Sale of Services	213.76		5.12
Total		213.76	5.12
Less: Service Tax recovered		7.59	0.37
Total		206.17	4.75
		2016-17	(Rs in lakhs) 2015-16
19 Other income			
Interest Income		9.92	1.26
Net Gain on Sale of Current Investments		371.50	307.70
Net Gain / (loss) arising on financial assets designated as at FVTPL		(46.00)	65.04
Other non-operating income		2.06	0.01
Total		337.48	374.01
		2016-17	(Rs in lakhs) 2015-16
20 Employee Benefit Expense			
Salaries and wages		251.79	-
Contribution to provident and other funds		9.40	-
Staff welfare expenses		11.02	-
Total		272.21	-

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

	2016-17	(Rs in lakhs) 2015-16
21 Other Expenses		
Operating Expenses		
Loading & Other Operating Expenses	<u>2,252.96</u>	13.39
	2,252.96	13.39
Other Expenses		
Network Expenses	8.37	-
Advertising & Marketing Expenses	446.10	2.65
Repairs and maintenance	0.94	5.12
Selling and Distribution Expenses	661.55	91.57
Insurance	2.87	-
Rates and taxes	7.51	25.12
Travelling and conveyance expenses	46.14	-
Professional fees	281.15	120.21
Net (gain) / loss on foreign currency transaction	(161.44)	-
Printing and stationery	0.03	0.74
Interest (Rs 310)	0.00	-
General expenses	<u>32.53</u>	14.95
	1,325.75	260.36
Payments to auditor		
Audit fees	1.41	1.30
Certification and consultation fees	<u>0.75</u>	0.75
	2.16	2.05
Total	<u>3,580.87</u>	<u>275.80</u>

22 Current Operation Status

Reliance Industries Limited (ultimate holding company) was granted an in principle approval by the Reserve Bank of India (the 'RBI') on 7th September, 2015 to set up a new Payments Bank under section 22 of the Banking Regulation Act, 1949. Accordingly, Jio Payments Bank Limited (the "Bank") was incorporated on 10th November, 2016.

One of the condition of the approval by RBI is that ,Customer Liability (Store Value Amount (SVA) of the Registered customer) who are willing to get transferred to Jio Payments Bank and their corresponding Escrow Bank balance, required to be transferred from the Company to the Bank before the commencement of payments bank banking business.

Currently, Jio Payments Bank Ltd is engaged in setting up its technology and other banking system and approvals from RBI and is yet to commence the banking business. Therefore, Customer Liability (SVA balance) and Escrow bank balance continues to be part of the Balance sheet of the company.

- 23** The activities of the Company which revolve around development of payments products and systems and accordingly, the company has only one identifiable segment as per the requirements of Ind AS 108 "Operating Segments".

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

- 24 Net Deferred tax assets to the extent of Rs 1,288.70 lakhs is not recognised in balance sheet for temporary differences arising on items as a matter of prudence, as the company has not yet started full scale operations as expected by management.

Deferred tax liabilities / asset in relation to:	(Rs in Lakhs)
Property, plant and equipment	(30.23)
Current Assets / Investments	(5.64)
Provision for gratuity & Leave encashment	18.46
Unabsorbed Depreciation & Business loss	1,306.11
Net Deferred Tax Asset	1,288.70

- 25 **Contingent Liabilities and Commitments** (Rs. in lakhs)
(To the extent not provided for)

	As at 31st March, 2017	As at 31st March, 2016
(a) Contingent Liabilities		
(i) Bank Guarantees	28.00	26.00
(b) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account		
Related parties	10.43	14.28
Others	1,006.01	751.33
(ii) Estimated amount of contracts remaining to be executed on other items		
Related parties	11.83	0.48
Other items	1,138.23	77.63

- 26 **Earnings per share (EPS)**

	2016-17	2015-16
(i) Net Loss after tax as per Profit and Loss Statement (Rs. in lakhs)	(3,532.65)	(113.65)
(ii) Weighted average number of equity shares used as denominator for calculating Basic EPS	11 50 00 000	10 75 81 967
Add: Proportionate Conversion of Convertible Debenture into Equity Shares	46 97 26 027	12 94 39 891
(iii) Weighted average number of equity shares used as denominator for calculating Diluted EPS	58 47 26 027	23 70 21 858
(iv) Basic earnings per share of face value of Rs.10 each (Rs.)	(3.07)	(0.11)
(v) Diluted earnings per share of face value of Rs.10 each (Rs.)	(3.07)	(0.11)

- 26.1 Potential equity shares from conversion of Debentures are anti-dilutive as their conversion would decrease the loss per share. Therefore, the effects of anti-dilutive potential equity shares are ignored in calculating diluted earnings per share.

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

27 Value of imports calculated on CIF basis during the Financial Year in respect of :

	2016-17	2015-16
Capital goods	4,115.69	17,895.43

28 Expenditure in foreign currency

	2016-17	2015-16
(i) Professional fees	193.67	808.08
(ii) Software license fees	-	39.87
(iii) Advertisement and Marketing Expenses	8.08	-
	<u>201.75</u>	<u>847.95</u>

29 Details of Loans given, Investment made and Guarantee given covered u/s 186(4) of the Companies Act, 2013

- (i) The company has not given any loans.
- (ii) Investments made by the company as at 31st March, 2017 (Refer note no. 4)
- (iii) The company has not given any Corporate Guarantees or provided any security.

30 Financial And Derivative Instruments

Foreign currency exposures that are not hedged by derivative instruments as on 31st March, 2017 amount to Rs. 2,323.04 Lakhs (Previous Year Rs. 1,606.73 Lakhs and as at 1st April, 2015 Rs. 848.48 Lakhs).

30.1 Capital management

The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the company consists of Equity share capital and Optionally Fully Convertible Debentures (OFCD). The company is not having any debt capital and hence gearing ratio is not applicable.

30.2 Financial Risk Management

Risk	Exposure Arising from	Measurement	Mitigation
Credit Risk	Trade and Other receivables	Ageing analysis	Dealing with highly rated counterparties/related parties
Liquidity Risk	OFCD and other liabilities	Ageing analysis, Rolling cash-flow forecast	Availability of funding through OFCD and Liquid Mutual Funds
Market risk - Foreign exchange	For Purchases denominated in currencies other than INR.	Cash-flow forecasting and matching	Foreign currency payment done through Treasury team
Market risk - Interest risk	Investment in Liquid Mutual Fund	NAV monitoring	Continuous monitoring of the investment in mutual fund

The company's risk management is carried out by treasury team under policies approved by the board of directors.

- A) **Credit Risk** : is the risk that a customer will fail to pay amounts due causing financial loss to the company. The company is currently engaged in investing the surplus funds in Liquid Mutual Fund. The risks associated with this financial instrument is Interest Rate Risk. It arises from cash and cash equivalents, from credit exposures to customers relating to outstanding receivables and other receivables.
- B) **Liquidity Risk** : is the risk that suitable sources of funding for the company's business activities may not be available. Prudent liquidity risk management implies maintaining sufficient cash and mutual fund balances and the availability of funding through an adequate amount of committed funding from its holding company to meet obligations when due.

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

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The company's liquidity is managed with operating units forecasting their requirements to the treasury function. The treasury unit will then either arrange to fund the requirements or invest the surplus in mutual fund.

C) **Market Risk - Foreign exchange** : this risk arises from Purchases denominated in currencies other than INR.

Foreign currency exposure

	As at		As at	
	31st March, 2017	31st March, 2016	1st April, 2015	
	USD	USD	USD	GBP
Vendor balances	2,323.04	1,606.73	841.54	6.94

Foreign currency sensitivity analysis (assuming a currency movement of 1%) is appended in table below:

	As at		As at	
	31st March, 2017	31st March, 2016	1st April, 2015	
	USD	USD	USD	GBP
1% Depreciation in INR				
Transferred to P & L	(23.23)	(16.07)	(8.42)	(0.07)
1% Appreciation in INR				
Transferred to P & L	23.23	16.07	8.42	0.07

D) **Market Risk - Interest rate risk:** The risk that the fair value or future cash flows of a financial instrument (mutual fund) will fluctuate because of changes in market interest rates.

30.3 Fair valuation measurements

Fair valuation of mutual fund is done by multiplying the closing unit balance of mutual fund with NAV of the fund as on each reporting date, and this is as per Level 1 input.

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Carrying Amount	Level of input used Level 1	Carrying Amount	Level of input used Level 1	Carrying Amount	Level of input used Level 1
Financial Assets						
At Amortised Cost						
Other Financial Assets-Non Current	79.67	-	25.10	-	10.61	-
Trade Receivables	10.41	-	-	-	-	-
Cash and Cash Equivalents	2,642.05	-	19.46	-	16.78	-
Bank Balances Other than Above	4,501.90	-	88.68	-	3.21	-
Other Financial Assets-Current	2,733.75	-	16.12	-	-	-
At FVTPL						
Investments	6,382.81	6,382.81	9,613.31	9,613.31	418.39	418.39
Financial Liabilities						
At Amortised Cost						
Borrowings	-	-	-	-	600.00	-
Trade Payables	-	-	-	-	0.59	-
Other Financial Liabilities	21,662.78	-	2,397.25	-	2,929.12	-
At FVTPL						
	-	-	-	-	-	-

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

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

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

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

31 Approval of Financial Statements

The financial statements were approved for issue by the board of directors on April 21, 2017.

32 As per Ind AS 19 "Employee benefits" the disclosures as defined in the Accounting Standards are given below:

Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expenses for the year is as under: (Rs. in lakhs)

	2016-17	2015-16
Employer's Contribution to Provident Fund	63.50	2.85
Employer's Contribution to Pension Scheme	16.16	1.47

Defined Benefit Plan

The company pays gratuity to the employees who have completed five years of service with the company on resignation/ superannuation. The gratuity is paid @15 days salary for every completed year of service as per The Payment of Gratuity Act 1972.

If the employee leaves the company before completion of five years of service, then the amount of gratuity is paid as ex-gratia.

The gratuity liability is computed on actuarial valuation basis done at year end and the Company's liability so determined as at the end of the financial year on an actuarial basis using the Project Unit Credit Method is provided for in the books of account and is based on a detailed working done by a certified Actuary. Actuarial gain or losses are recognized in the profit and loss statement / project development expense account of the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested.

I) Reconciliation of opening and closing balances of Defined Benefit Obligation

	(Rs. in lakhs)	
	Gratuity	
	(Unfunded)	
	2016-17	2015-16
Defined Benefit obligation at beginning of year	2.77	-
Current Service Cost	3.75	2.77
Interest Cost	0.22	-
Actuarial (gain) / loss	24.25	-
Benefits paid	-	-
Defined Benefit obligation at year end	30.99	2.77

II) Reconciliation of fair value of assets and obligations

	(Rs. in lakhs)	
	Gratuity	
	(Unfunded)	
	As at	As at
	31st March,	31st March,
	2017	2016
Fair value of Plan assets	-	-
Present Value of Obligation	30.99	2.77
Amount recognised in Balance sheet	30.99	2.77

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

III) Expenses recognised during the year	(Rs. in lakhs)	
	Gratuity	
	(Unfunded)	
In Income Statement/Project Development Expense Account	2016-17	2015-16
Current Service Cost	3.75	2.77
Interest Cost	0.22	-
Net Cost	3.97	2.77
In Other Comprehensive Income (OCI)		
Actuarial (gain) / loss	4.41	-
Capitalised	19.84	-
Net (Income)/Expense for the period recognised in OCI	24.25	-

IV) Actuarial assumptions	(Rs. in lakhs)	
	Gratuity	
	2016-17	2015-16
Mortality Table (IALM)	2006-08	2006-08
	(Ultimate)	(Ultimate)
Discount Rate (per annum)	7.46%	8.00%
Rate of escalation in salary (per annum)	6.00%	6.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

V) The expected contributions for Defined Benefit Plan for the next financial year will be in line with Financial Year 2016-17.

VI) Sensitivity Analysis for Gratuity

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Particulars	(Rs. in lakhs)			
	As at 31st March, 2017		As at 31st March, 2016	
	Decrease	Increase	Decrease	Increase
Projected Benefit Obligation on Current Assumptions	30.99	30.99	2.77	2.77
Change in rate of discounting (delta effect of +/- 0.5%)	2.54	(2.29)	0.26	(0.23)
Change in rate of salary increase (delta effect of +/- 0.5%)	(2.33)	2.56	(0.23)	0.26
Change in rate of employee turnover (delta effect of +/- 0.5%)	(0.47)	0.44	(0.08)	0.07

These plans typically expose the Group to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yield at the end of reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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

33 Related Parties Disclosures

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

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

(i) List of related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the related party	Relationship
1	Reliance Industries Limited	Ultimate Holding company
2	Reliance Industrial Investments and Holdings Limited	Holding company
3	Reliance Corporate IT Park Limited	Fellow subsidiary
4	Reliance Retail Limited	
5	Reliance Jio Infocomm Limited	
6	Reliance Lifestyle Holding Limited	
7	TV18 Home Shopping Network Limited	
8	Reliance Petro Marketing Limited	
9	Kanhatech Solutions Limited	
10	Bigtree Entertainment Private Limited	Associate of Ultimate Holding company
11	Reliance-Vision Express Private Limited	Joint Venture of Ultimate Holding company
12	Tally (India) Private Limited	Director having control
13	Shri Anirban S Mukherjee	Key Managerial Personnel
14	Shri Siddharth P Das	

(ii) Transactions during the year with related parties (excluding reimbursement):

		(Rs. in lakhs)				
Sr. No.	Nature of transactions	Ultimate Holding Company / Holding Company	Fellow subsidiary	Associate/ Joint Venture of Ultimate Holding Company	Director having control	Total
1	Issue of 0% Optionally Fully Convertible Debentures	10,000.00 (41,500.00)	-	-	-	10,000.00 (41,500.00)
2	Application money for Issue of 0% Optionally Fully Convertible Debentures	10,000.00	-	-	-	10,000.00
3	Issue of Equity Shares	-	-	-	-	-
		(1,500.00)	-	-	-	(1,500.00)
4	Unsecured loans repaid	-	-	-	-	-
		(600.00)	-	-	-	(600.00)
5	Professional fees	-	286.31	-	-	286.31
		-	(211.99)	-	-	(211.99)
6	Purchase of fixed assets	-	178.41	-	-	178.41
		-	(90.53)	-	-	(90.53)
7	Capital Advance paid	-	10.00	-	-	10.00
		-	(128.52)	-	-	(128.52)
8	Finance Cost	-	-	-	-	-
		(15.22)	-	-	-	(15.22)
9	Operating Expense	-	235.79	1.00	-	236.79
		-	(0.53)	-	-	(0.53)
10	Sale of Services	-	84.80	5.94	28.04	118.78
		-	-	-	-	-

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

						(Rs. in lakhs)
Sr. No.	Nature of transactions	Holding Company	Fellow subsidiary	Associate/ Joint Venture of Ultimate Holding Company	Director having control	Total
Balance as at As at 31st March, 2017						
11	Share capital	11,500.00 (11,500.00)	-	-	-	11,500.00 (11,500.00)
12	Unsecured loan	-	-	-	-	-
13	0% Optionally Fully Convertible Debentures	55,000.00 (45,000.00)	-	-	-	55,000.00 (45,000.00)
14	Application money for Issue of 0% Optionally Fully Convertible Debentures	10,000.00	-	-	-	10,000.00
15	Sundry creditors / Other Payables*	6.56	3,009.96 (6.20)	-	-	3,016.52 (6.20)
16	Capital Advance	-	-	-	-	-
17	Interest accrued but not due	-	(128.52)	-	-	(128.52)
18	Deposits from customers	-	6.22	-	-	6.22
19	Trade Receivables	-	10.30	-	-	10.30
		-	-	-	-	-

Note: Figures in brackets represents previous year's figures.

* Includes reimbursements

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

				(Rs in lakhs)	
Sr. No.	Particulars	Relationship	2016-17	2015-16	
1	Issue of 0% Optionally Fully Convertible Debentures				
	Reliance Industrial Investments and Holdings Limited	Holding company	10,000.00	41,500.00	
2	Application money for Issue of 0% Optionally Fully Convertible Debentures				
	Reliance Industrial Investments and Holdings Limited	Holding company	10,000.00	-	
3	Issue of Equity Shares				
	Reliance Industrial Investments and Holdings Limited	Holding company	-	1,500.00	
4	Unsecured loans repaid				
	Reliance Industrial Investments and Holdings Limited	Holding company	-	600.00	
5	Professional Fees				
	Reliance Corporate IT Park Limited	Fellow subsidiary	286.31	211.99	
6	Purchase of fixed assets				
	Reliance Retail Limited	Fellow subsidiary	33.26	90.53	
	Kanhatech Solutions Limited		145.15	-	

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

7	Capital Advance paid				
	Kanhatech Solutions Limited	Fellow subsidiary	10.00	128.52	
8	Finance Cost				
	Reliance Industrial Investments and Holdings Limited	Holding company	-	15.22	
9	Operating Expenses				
	Reliance Retail Limited	Fellow subsidiary	227.43	0.53	
	Reliance Corporate IT Park Limited	Fellow subsidiary	8.36	-	
	Bigtree Entertainment Private Limited	Associate of Ultimate Holding company	1.00	-	
10	Sale of Services				
	Reliance Retail Limited	Fellow subsidiary	84.02	-	
	Bigtree Entertainment Private Limited	Associate of Ultimate Holding company	5.84	-	
	Tally (India) Private Limited	Director having control	28.04	-	
	Reliance Lifestyle Holding Limited (Rs 472)	Fellow subsidiary	0.00	-	
	TV18 Home Shopping Network Limited	Fellow subsidiary	0.55	-	
	Reliance-Vision Express Private Limited	Joint Venture of Ultimate Holding company	0.10	-	
	Reliance Petro Marketing Limited	Fellow subsidiary	0.23	-	
	Balance as at As at 31st March, 2017	Relationship	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
11	Share capital				
	Reliance Industrial Investments and Holdings Limited	Holding company	11,500.00	11,500.00	10,000.00
12	Unsecured loan				
	Reliance Industrial Investments and Holdings Limited	Holding company	-	-	600.00
13	0% Optionally Fully Convertible Debentures				
	Reliance Industrial Investments and Holdings Limited	Holding company	55,000.00	45,000.00	3,500.00
14	Application money for Issue of 0% Optionally Fully Convertible Debentures				
	Reliance Industrial Investments and Holdings Limited	Holding company	10,000.00	-	-
15	Sundry creditors / Other Payables				
	Reliance Corporate IT Park Limited	Fellow subsidiary	1,911.12	-	-
	Reliance Retail Limited	Fellow subsidiary	71.87	6.20	4.83
	Reliance Jio Infocomm Limited	Fellow subsidiary	1,020.35	-	-
	Reliance Industries Limited	Ultimate Holding Company	6.56	-	-
	Kanhatech Solutions Limited	Fellow subsidiary	6.62	-	-

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

16 Capital Advance					
Reliance Corporate IT Park Limited		Fellow subsidiary	-	-	1,042.43
Kanhatech Solutions Limited			-	128.52	-
17 Interest accrued but not due					
Reliance Industrial Investments and Holdings Limited		Holding company	-	-	13.12
18 Deposits from customers					
Reliance Retail Limited		Fellow subsidiary	6.07	-	-
TV18 Home Shopping Network Limited			0.15	-	-
19 Trade Receivables					
Reliance Retail Limited		Fellow subsidiary	10.30	-	-

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

34 First time Ind AS adoption reconciliations

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

(Rs. in lakhs)

	Notes	As at 31 March, 2016			As at 1 April, 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Assets							
Non-current assets							
Property, plant and equipment		412.26	-	412.26	448.43	-	448.43
Capital Work-in-Progress		39,952.01	-	39,952.01	12,205.71	-	12,205.71
Intangible assets		452.11	-	452.11	581.24	-	581.24
Intangible assets under development		2,594.50	-	2,594.50	356.97	-	356.97
Financial Assets							
Other Financial Assets		25.10	-	25.10	10.61	-	10.61
Other Non-current assets		155.58	-	155.58	1,542.96	-	1,542.96
Total Non-current assets		43,591.56	-	43,591.56	15,145.92	-	15,145.92
Current assets							
Financial Assets							
Investments	I	9,546.68	66.63	9,613.31	416.80	1.59	418.39
Trade receivables		-	-	-	-	-	-
Cash and Bank Balances		19.46	-	19.46	16.78	-	16.78
Bank balances other than above		88.68	-	88.68	3.21	-	3.21
Other Financial Assets		16.12	-	16.12	-	-	-
Current Tax Assets (net)		3.71	-	3.71	3.34	-	3.34
Other Current Assets		5,360.75	-	5,360.75	1,747.80	-	1,747.80
Total Current assets		15,035.40	66.63	15,102.03	2,187.93	1.59	2,189.52
Total Assets		58,626.96	66.63	58,693.59	17,333.85	1.59	17,335.44

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

EQUITY AND LIABILITIES

Equity							
Equity Share capital		11,500.00	-	11,500.00	10,000.00	-	10,000.00
Other Equity	I, II	(529.67)	45,066.63	44,536.96	(350.98)	3,501.59	3,150.61
Total equity		10,970.33	45,066.63	56,036.96	9,649.02	3,501.59	13,150.61
Liabilities							
Non-current liabilities							
Financial Liabilities							
Borrowings	II	45,000.00	(45,000.00)	-	4,100.00	(3,500.00)	600.00
Provisions		2.69	-	2.69	-	-	-
Total non-current liabilities		45,002.69	(45,000.00)	2.69	4,100.00	(3,500.00)	600.00
Current liabilities							
Financial Liabilities							
Trade payables		-	-	-	0.59	-	0.59
Other Financial Liabilities		2,397.25	-	2,397.25	2,929.12	-	2,929.12
Other Current liabilities		253.36	-	253.36	655.12	-	655.12
Provisions		3.33	-	3.33	-	-	-
Total current liabilities		2,653.94	-	2,653.94	3,584.83	-	3,584.83
Total Liabilities		47,656.63	(45,000.00)	2,656.63	7,684.83	(3,500.00)	4,184.83
Total equity and liabilities		58,626.96	66.63	58,693.59	17,333.85	1.59	17,335.44

34.2 Reconciliation of Loss for the year ended 31st March, 2016 and Reserves as at 31st March, 2016 and 1st April, 2015 between Ind AS and Previous GAAP

Sr. No.	Nature of adjustments	Notes	(Rs. in lakhs)		
			Loss for the Year ended 31st March, 2016	Reserves As at 31st March, 2016	As at 1st April 2015
	Net Loss / Reserves as per Previous Indian GAAP		(178.69)	(529.67)	(350.98)
1	Fair Valuation for Financial Assets (Mutual Fund)	I	65.04	66.63	1.59
	Total		65.04	66.63	1.59
	Net Loss before OCI / Reserves as per Ind AS		(113.65)	(463.04)	(349.39)

Notes:

I Fair valuation for Financial Assets:

Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition. The fair value changes are recognised in profit or loss. On transitioning to Ind AS, these financial assets have been measured at their fair values which is higher than cost as per previous GAAP, resulting in an increase in carrying amount by Rs 66.63 Lakhs as at 31st March, 2016 and by Rs 1.59 Lakhs as at 1st April, 2015. The effect of this change is an increase in total equity as at 31st March, 2016 of Rs 66.63 Lakhs (Rs 1.59 Lakhs as at 1st April, 2015) and total profit for the year ended 31st March, 2016 of Rs 65.04 Lakhs.

II 0% Optionally Fully Convertible Debentures (OFCD)

OFCD shall, at the option of the Issuer/ Company, be fully convertible into Equity Shares of Rs. 10/- each at par. The outstanding amount of OFCD, if not opted for conversion shall be repayable, at the end of 10 years from the date of allotment or such other period as may be decided by the Company/ Issuer. The same have been reclassified under Other equity from Borrowings.

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

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

	(Rs. in lakhs)		
	Year ended 31st March, 2016		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
INCOME			
Revenue from operations			
Sale of Products	-	-	-
Income from Services	4.75	-	4.75
	4.75	-	4.75
Other Income	308.97	65.04	374.01
Total Revenue	313.72	65.04	378.76
EXPENDITURE			
Depreciation / Amortisation and Depletion Expense	216.61	-	216.61
Other Expenses	275.80	-	275.80
Total Expenses	492.41	-	492.41
Profit Before Tax	(178.69)	65.04	(113.65)
Tax Expenses			
Current Tax	-	-	-
Deferred Tax	-	-	-
Profit for the Year	(178.69)	65.04	(113.65)

As per our Report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No: 101720W

R. Koria
Partner
Membership No: 035629

Place: Mumbai
Date: April 21, 2017

For and on behalf of the Board

Kiran Thomas
Director
DIN 02242745

Rajneesh Singhvi
Chief Financial Officer
PAN: APCPS8770C

Bhama Krishnamurthy
Director
DIN: 02196839

Ravikant Chaturvedi
Company Secretary
Membership No: A46850