

RELIANCE JIO INFRATEL PRIVATE LIMITED

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,
2020**

RELIANCE JIO INFRATEL PRIVATE LIMITED

Balance Sheet as at 31st March, 2020.

Particulars	Notes	(Rs. Million)	
		As at 31st March, 2020	As at 31st March, 2019
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	1	387,383	248,208
Capital work in progress	1	-	80,152
Financial Assets			
Other Financial Assets	2	3,072	2,726
Other Non-Current Assets	3	3,236	2,615
Total Non-Current Assets		393,691	333,701
CURRENT ASSETS			
Financial Assets			
Investments	4	-	145
Trade Receivables	5	153	310
Cash and Cash Equivalents	6	446	3
Other Bank balances	7	3	-
Other Financial Assets	8	24,099	15,000
Other Current Assets	9	22,553	18,954
Total Current Assets		47,254	34,412
Total Assets		440,945	368,113
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	10	2,150	2,150
Other Equity	11	(20,501)	467
Total Equity		(18,351)	2,617
LIABILITIES			
Non - Current Liabilities			
Financial Liabilities			
Borrowings	12	228,194	188,360
Provisions	13	10,854	7,414
Total Non-Current Liabilities		239,048	195,774
Current Liabilities			
Financial Liabilities			
Borrowings	14	30,050	29,650
Trade Payables	15		
total outstanding dues of micro enterprises and small enterprises		-	0
total outstanding dues of creditors other than micro enterprises and small enterprises.		3,059	3,111
Other Financial Liabilities	16	71,142	12,164
Creditors for Capital Expenditure		114,610	124,770
Other Current Liabilities	17	1,387	27
Total Current Liabilities		220,248	169,722
Total Liabilities		459,296	365,496
Total Equity and Liabilities		440,945	368,113

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Significant Accounting Policies
See accompanying Notes to the Financial Statements

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As per our Report of even date

For Pathak H D & Associates LLP
Chartered Accountants
Firm Regn No: 107783W / W100593



Gopal Chaturvedi
Partner
Membership No. 090903

Place: Mumbai
Date: 7th July, 2020

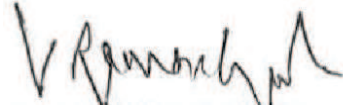
For Deloitte Haskins & Sells
Chartered Accountants
Firm Regn No: 117364W



Varsha A. Fadte
Partner
Membership No. 103999

Place: Chicalim Goa

For and on behalf of the Board



Venkataraman Ramachandran
Director
DIN:02032853



Thriveni Shetty
Director
DIN: 07847098



Vijay Kumar Sharma
Company Secretary
Membership No: A10635

RELIANCE JIO INFRATEL PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st March , 2020

(Rs. Million)

Particulars

	Notes	For the year ended 31st March, 2020	For the year ended 31st March, 2019
INCOME			
Revenue from Operations	18	33,404	-
Other Income	19	125	5
Total Income		33,529	5

EXPENSES

Network Operating Expenses	20	4,515	-
Employee Benefits Expense	21	1	-
Finance Costs	22	31,940	-
Depreciation and Amortisation Expense	1	17,784	-
Other Expenses	23	257	32
Total Expenses		54,497	32

Loss before tax (20,968) (27)

Tax Expenses 3.1 - -

Loss for the year (20,968) (27)

Other Comprehensive Income - -

Total Comprehensive Loss for the year (20,968) (27)

**EARNING PER EQUITY SHARE OF FACE VALUE
OF Re. 1 EACH**

Basic and Diluted (in Rupees) 24 (9.78) (1.61)

Significant Accounting Policies


See accompanying Notes to the Financial Statements 1 to 36

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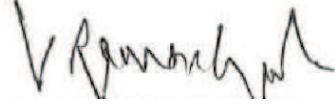
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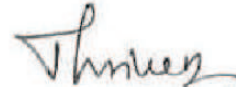


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RELIANCE JIO INFRATEL PRIVATE LIMITED

Statement of changes in Equity for the year ended 31st March, 2020

(A) Equity Share Capital	(Rs. Million)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Balance at the beginning of the year	2,150	10
Changes in equity share capital during the year	-	2,140
Balance at the end of the year	2,150	2,150

(B) Other Equity Particulars	(Rs. Million)		
	Instrument classified as Equity: 10% Cumulative optionally convertible Preference Share Capital Fully paid up	Reserves and Surplus: Retained Earnings	Total
As on March 31, 2019			
Balance at the beginning of the year i.e. 1st April, 2018	-	(6)	(6)
Total Comprehensive Loss for the year	-	(27)	(27)
Preference Shares Issued	500	-	500
Balance at the end of the year i.e. March 31, 2019	500	(33)	467
As on March 31, 2020			
Balance at the beginning of the year i.e. 1st April, 2019	500	(33)	467
Total Comprehensive Loss for the year	-	(20,968)	(20,968)
Preference Shares Issued	-	-	-
Balance at the end of the year i.e. March 31, 2020	500	(21,001)	(20,501)

Significant Accounting Policies

See accompanying Notes to the Financial Statements 1 to 36

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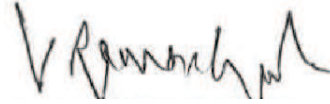
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Place: Mumbai
Date: 7th July, 2020

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RELIANCE JIO INFRATEL PRIVATE LIMITED

(Rs. Million)

Statement of cash Flows for the year ended 31st March, 2020

A CASH FLOW FROM OPERATING ACTIVITIES:

	For the year 31st March, 2020	For the year 31st March, 2019
Net Loss before tax as per Statement of Profit and Loss	(20,968)	(27)
Adjusted for		
Fees for increase in authorised capital	-	25
Depreciation and Amortisation Expense	17,784	
Gain on Investments (Net)	(119)	(1)
Finance Costs	31,940	-
	49,605	24
Operating profit before working capital changes	28,637	(3)
Adjusted for :		
Trade and Other Receivables	(11,184)	(1)
Trade and Other Payables	13,324	6
	2,140	5
Cash Generated from Operations	30,777	2
Less: Taxes paid	(701)	-
Net Cash flow from operating activities (A)	30,076	2

B CASH FLOW FROM INVESTING ACTIVITIES:

Purchase of Property, Plant and Equipment	(84,639)	-
Purchase of Investments	(166,930)	(200)
Sale of Investments	167,194	56
Fixed Deposits with Banks	(6)	-
Net Cash flow used in Investing Activities (B)	(84,381)	(144)

C CASH FLOW FROM FINANCING ACTIVITIES:

Proceeds from Equity Shares	-	140
Proceed Term Borrowings - Non-Current	50,000	-
Repayment of Borrowings - Non-Current	(10,000)	-
Proceed Term Borrowings - Current	38,312	-
Repayment of Borrowings - Current	(37,912)	-
Deposit received*	35,940	-
Finance Costs Paid	(21,592)	-
Net Cash flow from financing activities (C)	54,748	140
Net Increase in Cash and Cash Equivalents (A+B+C)	443	(2)
Opening Balance of Cash and Cash Equivalents	3	5
Closing Balance of Cash and Cash Equivalents (Refer Note 6)	446	3

Changes in Liability arising from financing activities

(Rs. Million)

	As at 1st April, 2019	Cash Flow	Non Cash	As at 31st March 2020
			Unamortised prepaid finance charges	
Borrowings (Refer Note - 12)	198,360	40,000	(166)	238,194
Borrowings - Current (Refer Note - 14)	29,650	400	-	30,050
Total	228,010	40,400	(166)	268,244

	As at 1st April, 2018	Cash Flow	Non Cash	As at 31st March 2019
			Transfer on account of slump sale	
Borrowings (Refer Note - 12)	-	-	198,360	198,360
Borrowings - Current (Refer Note - 14)	-	-	29,650	29,650
Total	-	-	228,010	228,010

* and outstanding

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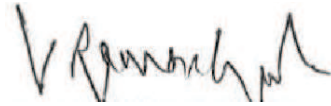
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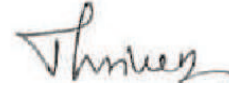


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Place: Mumbai
Date: 7th July, 2020

Place: Chicalim Goa

RELIANCE JIO INFRATEL PRIVATE LIMITED

Notes on Ind AS Financial Statements

A CORPORATE INFORMATION

Reliance Jio Infratel Private Limited ("the Company") is a private limited company incorporated in India. The Company, pursuant to a Scheme of Arrangement, acquired the Tower Infrastructure Undertaking of Reliance Jio Infocomm Limited (RJIL) for a lump sum consideration, w.e.f. the appointed date of March 31, 2019 (Refer note 33). The Company is engaged in the business of providing tower infrastructure and related operations and maintenance services in India. The registered office address is 101, Saffron, Near Centre Point, Panchawati 5 Rasta, Ambawadi, Ahmedabad, Gujarat – 380006, India.

B SIGNIFICANT 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 value:

i. Certain Financial Assets and Liabilities (including derivative instruments).

The Financial Statements of the Company have been prepared to comply with the Indian Accounting standards ('IndAS'), including the Rules notified under the relevant provisions of the Companies Act, 2013.

The Company has applied Indian Accounting Standard (Ind AS) 116 Leases, to its leases using prospective approach, effective annual reporting period beginning 1st April 2019 and applied the standard to its leases from this date.

The Company's Financial Statements are presented in Indian Rupees (Rs), which is also its functional currency and all values are rounded to the nearest million (Rs 000,000), except when otherwise indicated.

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Current and Non-Current Classification:

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification as per Schedule III division II of Companies Act, 2013.

An asset is treated as Current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle;
- ii) Held primarily for trading;
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle;
- ii) Held primarily for trading;
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Company has considered 12 months as its normal operating cycle.

(b) Property, Plant and Equipment:

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price, borrowing costs and any cost directly attributable to bringing the assets to its working condition 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 Company and the cost can be measured reliably.

RELiance JIO INFRATEL PRIVATE LIMITED

Notes on Ind AS Financial Statements

Depreciation on Plant and Equipment and building is provided using straight-line method based on estimated useful life of 20 years. The estimated useful life is different from the useful life as prescribed under Schedule II to the Companies Act, 2013 and in the opinion of the Company this represents the best estimate thereof on the basis of technical evaluation, actual usage period and operations and maintenance arrangement with a vendor. Leasehold improvements are amortised over the period of lease or useful life whichever is less.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a Property, Plant and Equipment 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 and Loss when the asset is derecognised.

(c) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a Lessee

The Company's lease asset primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The Company's agreements with the landowners for taking land on lease for construction of Towers thereon, read with the stipulations of the Master Service Agreement with its customer have been concluded to be short term lease.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment regarding whether it will exercise an extension or a termination option.

(d) Finance Costs

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 Statement of Profit and Loss in the period in which they are incurred.

RELIANCE JIO INFRATEL PRIVATE LIMITED

Notes on Ind AS Financial Statements

(e) 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.

Asset Retirement Obligation:

Asset Retirement Obligation (ARO) is provided for where the Company has an obligation to restore the rented premises at the end of the period in a condition similar to inception of the arrangement.

The obligation arising on account of such costs are provided at present value of future restoration and dismantling costs and are recognised as part of the cost of underlying assets. Any change in the present value of the expenditure, other than unwinding of discount on the provision, is reflected as adjustment to the provision and the corresponding asset. The change in the provision due to the unwinding of discount is recognized in the Statement of Profit and Loss.

(f) Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss'(ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected Credit Losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

Full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For Trade Receivables the Company applies 'simplified approach which requires expected life time losses to be recognized from initial recognition of the receivables.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

(g) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income.

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. Deferred income tax assets on carry forward losses is recognised based on convincing evidence where it is reasonably certain that sufficient taxable profits will be available to utilise those losses. Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized.

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.

(h) Cash and cash equivalents

Cash and cash equivalents includes cash at banks, cash on hand and short term deposits with an original maturity of 3 months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flow, cash and cash equivalents consist of cash and short term benefits, as defined above, net of outstanding bank overdrafts, if any as they are considered an integral part of the Company's cash management.

RELIANCE JIO INFRATEL PRIVATE LIMITED

Notes on Ind AS Financial Statements

(i) Impairment of Non-Financial Assets - Property, Plant and Equipment

The Company assesses at each reporting date as to whether there is any indication that any item of Property, Plant and Equipment or group of assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(j) Foreign Currencies

Transactions and Translations

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 Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings and that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

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 Other Comprehensive Income (OCI) or profit or loss are also recognised in OCI or Statement of profit or loss, respectively).

In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance, dates of transactions are determined for each payment or receipt of advance consideration.

(k) Revenue recognition

The Company earns revenue i.e. infrastructure provisioning fees (IP Fees) primarily from providing passive infrastructure and related services. Revenue is recognized when the Company satisfies the performance obligation by transferring the promised services to the customers. IP Fees are recognized as and when services are rendered on a monthly basis as per the contractual terms prescribed under master services agreement entered with customer. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenues from fixed-price and fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, are recognised to the extent the Company has rendered the services, as per the contractual arrangements. Revenue is measured at the fair value of the consideration received or receivable in exchange for transferring the promised services, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Unbilled revenue represents revenues recognized after the last invoice is raised on the customer at the period end. These are billed in subsequent periods based on the prices specified in the master service agreement with the customers, whereas invoicing in excess of revenues are classified as unearned revenues.



RELIANCE JIO INFRATEL PRIVATE LIMITED

Notes on Ind AS Financial Statements

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.

Dividends

Revenue is recognised when the Company's right to receive the payment is established.

(I) Financial Instruments

i) 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. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

a) 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.

b) 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.

c) 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.

d) 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 judgement 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 and any possible actions that can be taken to mitigate the risk of non-recovery.

ii) Financial liabilities

A. Initial recognition and measurement:

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

B. Subsequent measurement:

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

iii) Derivative Financial Instruments and Hedge Accounting

The Company uses various derivative financial instruments such as forwards to mitigate the risk of changes in interest rates and exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

RELiance JIO INFRATEL PRIVATE LIMITED

Notes on Ind AS Financial Statements

Fair Value Hedge

The Company designates derivative contracts or non derivative Financial Assets / Liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates and foreign exchange rates.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

(m) Earnings per Share

Basic earnings per share is calculated by dividing the net profit/loss after tax by the weighted average number of equity shares outstanding. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

(n) Cash Flow Statement

Cash flows are reported using indirect method, where by net profits/loss before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

(o) Contingent Liabilities

Contingent liabilities are disclosed in notes to accounts when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

C Critical accounting judgements and key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgement, 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

Plant and Equipment are depreciated over their estimated useful life which is based on technical evaluation, actual usage period and operations and maintenance arrangement with a vendor, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets periodically in order to determine the amount of depreciation to be recorded during any reporting period.

(b) Asset Retirement Obligation

Asset Retirement Obligation created for the cost to dismantle equipment and restore sites at the rented premises upon vacation thereof, is estimated based on actual quotes, which are reasonable and appropriate under these circumstances.

(c) Revenue from operations

The Company constructs towers on parcels of land taken on lease to provide tower infrastructure and related operations and maintenance services to multiple parties inter-alia engaged in rendering telecommunication services. Accordingly the Company's business is predominantly of rendering of services and not providing a right of use of part or whole of the asset to its customers.

(d) Recoverability of trade receivable

Judgements 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.

RELIANCE JIO INFRATEL PRIVATE LIMITED

Notes on Ind AS Financial Statements

(e) 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, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) 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 transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

(f) Recognition of Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.



RELIANCE JIO INFRA TEL PRIVATE LIMITED

Notes forming part Financial Statements

(Rs. Million)

NOTE 1. Property, Plant and Equipment and Capital Work in Progress

Description	As at		Gross Block		Depreciation and Amortisation		Net Block	
	1-Apr-19	31-Mar-20	Additions	Deductions	As at 1-Apr-19	For the year	As at 31-Mar-20	As at 31-Mar-19
Property, Plant and Equipment :								
Tangible Assets :								
Own Assets (A)								
Land	96	96	-	-	-	-	96	96
Leasehold Improvements	110	110	-	-	-	5	105	110
Buildings	17	17	-	-	-	1	16	17
Plant and Equipments	247,862	404,821	156,959	-	-	17,772	387,049	247,862
Total (A)	248,085	405,044	156,959	-	-	17,778	387,266	248,085
Right-of-Use Assets (B)								
Land	123	123	-	-	-	6	117	123
Total (B)	123	123	-	-	-	6	117	123
Total C= (A+B)	248,208	405,167	156,959	-	-	17,784	387,383	248,208
Capital Work-in-Progress								
Previous Year Figures	-	248,208	-	-	-	-	80,152	80,152

1.1 Addition to Property, Plant and Equipment (PPE) during the previous year and the Capital Work in progress as at 31st March, 2019 represent assets acquired consequent to the Composite Scheme of Arrangement (Refer Note 33) . The title deeds/lease deeds of the immovable properties are in process of being transferred in the name of the company.

1.2 For assets pledged as security - Refer note 12 (i)

1.3 "0" represents the amount below the denomination threshold.

RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part Financial Statements

	As at 31st March, 2020	(Rs. Million) As at 31st March, 2019
2 Other Financial Assets - Non Current (Unsecured and Considered Good)		
Security Deposits	3,069	2,726
Fixed Deposit with Banks	3	-
Total	<u><u>3,072</u></u>	<u><u>2,726</u></u>

2.1 Fixed Deposits with Bank Rs.3 million (Previous year Rs.Nil) have been pledged against bank guarantee issued to Government authorities.

	As at 31st March, 2020	(Rs. Million) As at 31st March, 2019
3 Other Non-Current Assets (Unsecured and Considered Good)		
Capital Advances	-	80
Advance Income Tax *	701	-
Amounts Paid under Protest	2,535	2,535
Total	<u><u>3,236</u></u>	<u><u>2,615</u></u>

***Advance Income Tax:**

At start of the year i.e. 01 April, 2019	-	-
Charge for the year - Current Tax	-	-
Tax Deducted at Source during the year	701	-
At end of year i.e 31st March, 2020	<u><u>701</u></u>	<u><u>-</u></u>

**Component of Deferred tax asset /
(liabilities)**

Deferred tax asset / (liabilities) in relation

to:

Property, Plant and Equipment	(10,282)	-
Carried Forward Losses	10,282	-
Total	<u><u>-</u></u>	<u><u>-</u></u>

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RELIANCE JIO INFRA TEL PRIVATE LIMITED
Notes forming part Financial Statements

**3.1 Reconciliation of income tax expenses
for the year to the accounting profit:**

(Rs. Million)

	For the year ended 31st March, 2020	For the year ended 31st March 2019
Loss before Tax	(20,968)	(27)
Applicable Tax Rate	25.17%	34.94%
Computed Tax Expense / (Income)	(5,277)	(9)
Add: Tax effect on disallowance of expenses	-	8
Tax effect of:		
Unused tax losses for which no deferred tax assets is recognised*	(5,277)	(1)
Current Tax Provision (A)	-	-
Deferred Tax Provision (B)	-	-
Total Tax Expense / (Income) recognised in Statement of Profit and Loss (A+B)	-	-
Effective Tax Rate	-	-

*As at 31st March, 2020 Rs.5,278 million (Previous year 1 million) with no expiry period.

As per section 115BAA introduced by the Taxation Laws (Amendment) Act, 2019, the Company has adopted new income tax rates.

4 Current Investments

**Investments measured at Fair Value
Through Profit & Loss**

**In Mutual Fund Unis - Unquoted, fully
paid - up (Face value of Rs. 100 each)**

	As at 31st March, 2020		As at 31st March, 2019	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Liquid Fund - Growth - (Direct Plan)	-	-	483,280	145
Total	-	-	483,280	145
Aggregate amount of Unquoted investments		-		145

5 Trade Receivables
(Unsecured and considered good)

	As at 31st March, 2020		As at 31st March, 2019	
	Units	Amount	Units	Amount
Trade Receivables		153		310
Total		153		310




RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part Financial Statements

	As at 31st March, 2020	(Rs. Million) As at 31st March, 2019
6 Cash and Cash Equivalents		
Balances with Banks in Current Account	446	3
Total	<u>446</u>	<u>3</u>

	As at 31st March, 2020	(Rs. Million) As at 31st March, 2019
7 Other Bank Balances		
Fixed Deposits with Banks	3	-
Total	<u>3</u>	<u>-</u>

Fixed Deposits with Banks of Rs.3 million (Previous year of Rs.Nil) have been pledged with government authorities.

	As at 31st March, 2020	(Rs. Million) As at 31st March, 2019
8 Other Financial Assets - Current		
Deposit for capital expenditure	16,000	15,000
Other Receivables *	8,099	-
Total	<u>24,099</u>	<u>15,000</u>

*Include contractually reimbursable / receivable amount and derivative assets

	As at 31st March, 2020	(Rs. Million) As at 31st March, 2019
9 Other Current Assets (Unsecured and considered good)		
Balance with GST authorities*	19,624	17,327
Advance to vendors	2,929	1,627
Total	<u>22,553</u>	<u>18,954</u>

*Includes Input tax credit pending for availment of Rs. 8,907 million (Previous year Rs. Nil).

RELIANCE JIO INFRATEL PRIVATE LIMITED

Notes forming part Financial Statements

	As at 31st March, 2020	(Rs. Million) As at 31st March, 2019
10 Share Capital		
Authorised Share Capital :		
3,000,000,000 Equity Shares of Re.1 each	3,000	3,000
100,000,000 Preference Shares of Rs.10 each	1,000	1,000
	<u>4,000</u>	<u>4,000</u>
Issued, Subscribed and Paid up:		
2,150,000,000 Equity Shares of Re.1 each	2,150	2,150
Total	<u>2,150</u>	<u>2,150</u>

10.1 Terms, Rights and Restrictions attached to Equity Shares

The Company has only one class of Equity shares having face value of Re.1 each.

Each holder of equity shares is entitled to one vote per share. In the event of dissolution or winding up of the Company, the holders of equity shares will be entitled to receive amount only to the extent of the paid up face value, to be paid after repayment of paid up preference share capital. They shall have no right to participate in surplus assets either on winding up or on liquidation.

(Rs. Million)

10.2 The reconciliation of the number of Equity shares outstanding is set out

Particulars	As at 31st March, 2020		As at 31st March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares at the beginning of the year of Re.1 each (Previous year Rs. 10 each)	2,150,000,000	2,150	1,000,000	10
Add: Issue of Shares of Rs. 10 each	-	-	14,000,000	140
Total	<u>2,150,000,000</u>	<u>2,150</u>	<u>15,000,000</u>	<u>150</u>
No of shares resulting from subdivision of one equity share of Rs 10 each into 10 equity shares of Re. 1 each (Refer Note 10.5)	-	-	150,000,000	150
Add: Issue of equity shares of Re. 1 each (Refer Note 10.3)	-	-	2,000,000,000	2,000
Equity shares at the end of the year	<u>2,150,000,000</u>	<u>2,150</u>	<u>2,150,000,000</u>	<u>2,150</u>

During the previous year, the Composite Scheme of Arrangement amongst Reliance Jio Infocomm Limited and Jio Digital Fibre Private Limited and Reliance Jio Infratel Private Limited and their respective shareholders and creditors (the "Scheme"), was approved by the National Company Law Tribunal, Ahmedabad Bench. After the Scheme became effective and in accordance with the terms mentioned in the Scheme, upon allotment of the Class 'A' Equity Shares amounting to Rs.2,000 Million (200,00,00,000 shares of Re.1 each), the rights attached to the existing equity shares amounting to Rs.150 million (15,00,00,000 shares of Re.1 each), stood varied as stated in the Scheme. The existing equity shares amounting to Rs.150 million (15,00,00,000 shares of Re.1 each) was there after classified as Class 'B' Equity Shares.

Subsequently, the shareholders at their respective class meetings held on March 31, 2019 varied the terms attached to Class 'B' Equity Shares such that Class 'B' Equity Shares had rights attached to Class 'A' Equity. Thereafter, Class 'A' Equity Shares and Class 'B' Equity Shares were classified as 'Equity Shares' and the rights of the Equity Shares are as mentioned and described in Note 10.1 above.

With effect from March 31, 2019, the Company has only one class of equity share.

10.3 Aggregate numbers of Equity Shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date:

Pursuant to the Scheme, (Refer Note 33) 2,000,000,000 equity shares of Re. 1 each were issued and allotted as fully paid, for consideration other than in cash, to Reliance Jio Infocomm Limited (RJIL) for the transfer and vesting of its Tower Undertaking.

RELIANCE JIO INFRATEL PRIVATE LIMITED

Notes forming part Financial Statements

(Rs. Million)

10.4 The details of Equity shareholders holding more than 5% shares:

Name of Shareholders	As at 31st March, 2020		As at 31st March 2019	
	No. of Shares	% held	No of Shares	% held
Tower Infrastructure Trust (Controlling Entity)	1,096,500,000	51%	1,096,500,000	51%
Reliance Jio Infocomm Ltd	-	-	1,053,500,000	49%
Reliance Industries Limited	1,053,500,000	49%	-	-

10.5 On March 29,2019, the Company subdivided its equity shares whereby one equity share of face value of Rs. 10 each was sub divided into 10 equity shares having a face value of Re. 1 each.

	As at 31st March, 2020	(Rs. Million) As at 31st March, 2019
11 Other Equity		
Instrument classified as equity		
10% Cumulative Optionally Convertible Preference Shares of Rs.10 each, fully paid up	500	500
Reserves and Surplus		
Retained earning		
As per last Balance Sheet	(33)	(6)
Loss for the year	(20,968)	(27)
Balance at end of the year	<u>(21,001)</u>	<u>(33)</u>
TOTAL	<u>(20,501)</u>	<u>467</u>

11.1 Terms, rights and restrictions attached to Preference Shares :

5,00,00,000 10% Cumulative, Participating and Optionally Convertible Preference Shares are convertible into 10 (Ten) Equity Shares of Re.1 each for every 1 (One) Preference Share of Rs. 10 each at any time at the option of the Company but in any case not later than March 31, 2039 and in the event the shares are not converted, these will be redeemed at any time at the option of the Company at Rs. 10 each but not in any case later than March 31, 2039. The Preference Shares shall be entitled to the Surplus Assets either on winding up or liquidation or otherwise.

11.2 The reconciliation of the number of 10% Cumulative Optionally Convertible Preference Shares is set out below:

(Rs. Million)

Particulars	As at 31st March, 2020		As at 31st March,2019	
	No. of Shares	Amount	No. of Shares	Amount
Preference shares at the beginning of the year	50,000,000	500	-	-
Add: Issue of Shares (Refer Note 11.3)	-	-	50,000,000	500
Preference shares at the end of the year	<u>50,000,000</u>	<u>500</u>	<u>50,000,000</u>	<u>500</u>

11.3 Aggregate numbers of Shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date:

Pursuant to the Scheme (Refer Note 33) 50,000,000 shares having a par value of Rs. 10 each were issued and allotted as fully paid up for consideration other than in cash to the transferor company for the transfer and vesting of its Tower Undertaking.

11.4 The details of shareholders holding more than 5% shares:

Name of Shareholder	As at 31st March, 2020		As at 31st March,2019	
	No of Shares	% held	No of Shares	% held
Reliance Jio Infocomm Limited	-	-	50,000,000	100%
Reliance Industries Limited	50,000,000	100%	-	-

RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part Financial Statements

(Rs. Million)

12 Borrowings At amortised Cost	As at 31st March, 2020		As at 31st March, 2019	
	Non-Current	Current	Non-Current	Current
(I) Term Loans				
(a) Secured:				
From banks	53,168	3,333	6,667	3,333
(b) Unsecured:				
From banks	56,666	6,667	63,333	6,667
(II) Non Convertible Debentures (Unsecured)	118,360	-	118,360	-
Total	228,194	10,000	188,360	10,000

(i) Secured Loans from Banks consist of:

Rs.6,667 million (Previous year Rs. 10,000 million) of loan, carrying interest rate of 8.75% p.a. repayable in 12 quarterly installments starting from June 2019, transferred from Reliance Jio Infocomm Limited, pursuant to Composite Scheme of Arrangement approved by NCLT with effect from 31st March 2019. As detailed in Note 33 to the financial statements, the Company is in the process of transferring the assets and liabilities in its name. The registration of charges in respect of the said loan, in the name of the Company has been carried out on 30th March 2020. Consequently, the said loan is secured by a floating charge by way of hypothecation of movable property and book debts of the Company.

Loan of Rs.30,000 million (Previous year Nil) carrying interest rate of 8.65% p.a. repayable after 2 years, secured by First Pari Passu Charge by way of hypothecation on all fixed assets and current assets (present and future) of the Company excluding Cash and Investments from non-operating activities. Further Reliance Industries Limited (RIL) has provided an undertaking for the loan.

Loan of Rs.20,000 Million (Previous year Nil) carrying interest rate of 8.75% p.a. repayable over a period of 12 years including moratorium of 2 years, 2.5% repayable quarterly from December 2021, secured by First Pari Passu Charge by way of hypothecation on all fixed assets and current assets (present and future) of the Company. Further Reliance Industries Limited (RIL) has provided an undertaking for the loan.

The above balances of Secured Loans include Rs.166 million (Previous year Nil) as prepaid Finance charges.

(ii) Unsecured Loans from Banks consist of:

Loan of Rs.13,333 million (Previous year Rs. 20,000 million) carrying interest rate of 8.75% p.a. repayable in 3 equated yearly installments, starting from September 2019

Loan of Rs.50,000 million (Previous year Rs.50,000 million) carrying interest rate of 8.50% p.a. repayable in 5 years with an option to pay after 2 years.

(iii) Payment obligations under Unsecured Loans referred to in (ii) above to the extent of Rs.50,000 million is guaranteed by Reliance Industries Limited.

(iv) Non-Convertible Debentures consist of:

1,18,360 9% p.a. Non-Convertible Debentures – Series II (NCD – Series II) of face value of Rs.1,000,000 each, aggregating to Rs.118,360 million redeemable at par on or before 31st March, 2029 at the option of the Company.

(v) In absence of profit as per Section 71(4) of Companies Act, 2013, the Company has not created the Debenture Redemption Reserve for cumulative amount of Rs.1,184 Million. The Company shall create the Debenture Redemption Reserve out of Profits, if any in the future years.

13 Provisions - Non Current	As at 31st March, 2020		As at 31st March, 2019	
	Asset Retirement Obligation (Refer note- 25)	10,854		7,414
Total	10,854		7,414	

RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part Financial Statements

	As at 31st March, 2020	(Rs. Million) As at 31st March, 2019
14 Borrowings - Current		
Unsecured - At amortised Cost		
(a) Non Convertible Debentures	-	29,650
(b) Term loans : from others	30,050	-
Total	<u>30,050</u>	<u>29,650</u>

- (i) Previous Year 29,650, 7.00% Non-Convertible Debentures – Series I (NCD – Series I) of face value of Rs. 10,00,000 each, aggregating to Rs. 29,650 Million redeemed at par, repaid on 15th April, 2019.
- (ii) Loan of Rs. 5,050 Million from Reliance Industries Limited and Rs. 25,000 Million from Jamnagar Utilities and Power Private Limited carry an interest rate of 9.25% p.a.
- (iii) Maximum amount outstanding at any time during the year in respect of monies raised by the company on Commercial Papers was Rs. 7,912 Million (Previous year Rs. Nil)

	As at 31st March, 2020	(Rs. Million) As at 31st March, 2019
15 Trade Payables due to		
total outstanding dues of micro enterprises and small enterprises	-	0
total outstanding dues of creditors other than micro enterprises and small enterprises.	3,059	3,111
Total	<u>3,059</u>	<u>3,111</u>

Note: "0" represents the amount below the denomination threshold.

There are no overdue amounts to Micro, Small and Medium Enterprises as at 31st March, 2020 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

	As at 31st March, 2020	(Rs. Million) As at 31st March, 2019
16 Other Financial Liabilities - Current		
Current maturities of long term debt (Secured)	3,333	3,333
Current maturities of long term debt (Unsecured)	6,667	6,667
Interest accrued but not due	11,908	1,024
Security Deposit	13,250	-
Others*	35,984	1,140
Total	<u>71,142</u>	<u>12,164</u>

*Includes derivative liability and deposit payable on demand secured by the guarantee given by the Parent of the sponsor of the controlling entity of the company.

	As at 31st March, 2020	(Rs. Million) As at 31st March, 2019
17 Other Current Liabilities		
Statutory dues payable	1,387	27
Total	<u>1,387</u>	<u>27</u>

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RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part Financial Statements

	For the year ended 31st March, 2020	(Rs. Million) For the year ended 31st March 2019
18 Revenue from Operations		
Sale of Services	33,404	-
Total	<u>33,404</u>	<u>-</u>
19 Other Income		
Interest on Income Tax Refund	6	4
Gain on investments (Net)	119	1
Total	<u>125</u>	<u>5</u>
20 Network Operating Expenses		
Power and Fuel (Net of Recovery Rs. 28,628 Million (Previous year Nil))	-	-
Rent (Net of Recovery Rs. 12,735 Million (Previous year Nil))	-	-
Repairs and Maintenance	4,492	-
Other Network Cost (Net of Recovery Rs. 1,476 Million (Previous year Nil))	23	-
Total	<u>4,515</u>	<u>-</u>
21 Employee Benefits Expense		
Salaries and Wages	1	-
Contribution to Provident Fund and Other Funds	0	-
Staff Welfare Expenses	0	-
Total	<u>1</u>	<u>-</u>
22 Finance Costs		
Interest Expenses	30,706	-
Exchange loss (attributable to finance costs)	1,073	-
Other borrowing cost	161	-
Total	<u>31,940</u>	<u>-</u>




23 Other Expenses**For the year ended
31st March, 2020****(Rs. Million)
For the year ended
31st March 2019**

Rates and taxes (Previous year Rs. 20,000)

-

0

Professional Fees

40

5

Payment to Auditors

8

1

General Expenses

209

26

Total**257****32**

RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part of Financial Statements

24 EARNINGS PER SHARE (EPS)

	For the year ended	
	31st March, 2020	31st March 2019
i. Net loss after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Million)	(20,968)	(27)
Less: Dividend on Cumulative Preference Shares (Rs. Million)	(50)	-
Earnings attributable to Equity Share holders (Rs. Million)	(21,018)	(27)
ii. Weighted Average number of equity shares used as denominator for calculating Basic EPS (in Million)	2,150	17
iii. Basic Earnings per share (Rs.)	(9.78)	(1.61)
iv. Diluted Earnings per share (Rs.) (refer note below)	(9.78)	(1.61)
v. Face Value per equity share (Re.)	1	1

Note:

1. The effect of weighted average potential Equity shares 500,000,000 to be issued at the time of conversion of optionally convertible preference shares is anti-dilutive in nature and hence not considered in calculation of dilutive earnings per share.

2. The Equity share of Rs. 10 each was sub divided into Ten Equity share of Re. 1 each during the previous year.

Accordingly as per requirement of Ind AS 33, the EPS has been computed by taking the increased number of shares for FY 2018-19.

25 Assets Retirement Obligation (ARO)

Asset Retirement Obligation is created for the cost to dismantle equipment and restore sites at the rented premises upon vacation thereof. The provision represents the Company's best estimate of the amount that may be required to settle the obligation.

	(Rs. Million)	
	As at 31st March 2020	As at 31st March 2019
Movement in ARO		
At beginning of the year i.e 1st April, 2019	7,414	-
Provided during the year	3,440	7,414
At end of the year i.e. 31st March 2020	10,854	7,414

26 RELATED PARTY DISCLOSURES

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

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

Sr No	Name of the Related Party	Relationship
1	Reliance Industries Limited (Till 31st Mar'19)	Ultimate Holding Company
2	Reliance Industrial Investments and Holdings Limited (Till 27th Mar'19)	Holding Company
3	Tower Infrastructure Trust (W.e.f 31st Mar' 19)	Controlling Entity
4	Digital Media Distribution Trust (W.e.f 28th Mar'19 till 31st Mar'19)	Controlling Entity
5	Vijay Kumar Sharma	Key Managerial Person

RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part of Financial Statements

(ii) **Transactions during the year with related parties**

(Rs. Million)

Sr No	Nature of Transactions	Holding Co/Controlling Entity	Key Managerial Person
1	Shares issued and allotted	-	-
		(140)	-
2	Payment to Key Managerial Personnel		3
			(5)

Note : Figures in brackets represent previous year's amounts.

(iii) **Closing balance as at**

(Rs. Million)

Sr No	Particulars	Relationship	31st March 2020	31st March 2019
1	Equity Share Capital - Tower Infrastructure Trust	Controlling Entity	1,097	1,097

27 CONTINGENT LIABILITIES AND COMMITMENTS

(I) **Contingent Liabilities**

Municipal Tax

The Company based on its assessment of the applicability and tenability of certain municipal levies, which is an industry wide phenomenon, does not consider the impact of such levies to be material.

Further, in the event these levies are confirmed by the respective authorities, the Company would recover these amounts from its customers in accordance with the terms of Master Service Agreement.

(ii) **Commitments**

(Rs. Million)
As at 31st March, 2020 **As at 31st March 2019**

Estimated amount of contracts remaining to be executed on Capital account not provided for **11,475** -

28 Arrears of fixed cumulative dividend on Optionally Convertible Preference Shares classified as 'Other Equity' Rs. 50 Million (Previous year Rs. Nil).

29 Capital Management

The Company adheres to a Disciplined Capital Management framework, the pillars of which are as follows:

- Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.
- Maintain AAA rating by ensuring that the financial strength of the Balance Sheet is preserved.
- Manage financial market risks arising from foreign exchange and interest rates, and minimise the impact of market volatility on earnings.

Gearing Ratio

The net gearing ratio at the end of the reporting period was as follows:

	(Rs. Million)	
	As at 31st March 2020	As at 31st March 2019
Gross Debt	268,244	228,010
Cash and marketable securities	(446)	(148)
Net debt (A)	267,798	227,862
Total Equity (B)	(18,351)	2,617
Net debt to equity ratio (A/B)*	-	87

*Net debt to equity ratio as at 31st March 2020 is not calculated as the total Equity value is negative

RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part of Financial Statements

30 FINANCIAL INSTRUMENTS

A. FAIR VALUE MEASUREMENT HIERARCHY:

(Rs. Million)

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Carrying Amount	Level of input used in		Carrying Amount	Level of input used in	
		Level 1	Level 2		Level 1	Level 2
Financial Assets						
At Amortised Cost						
Trade Receivables	153	-	-	310	-	-
Cash and Bank Balances	449	-	-	3	-	-
Other Financial Assets	26,472	-	-	15,000	-	-
At FVTPL						
Investments	-	-	-	145	-	145
Other Receivables	699	-	699	-	-	-
Financial Liabilities						
At Amortised Cost						
Borrowings	268,244	-	-	228,010	-	-
Trade Payables	3,059	-	-	3,111	-	-
Other Financial Liabilities	61,142	-	-	12,164	-	-
Creditors for Capital Expenditure	114,610	-	-	124,770	-	-
At FVTPL						
Other Financial Liabilities	-	-	-	1,140	-	1,140

The financial instruments are categorized into two levels based on 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.

Valuation methodology:

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of investment in Mutual Funds is measured at NAV.
- The fair value of Forward Foreign Exchange contracts is determined using observable forward exchange rates at the balance sheet date.
- The Company considers that the carrying amount recognised in the financial statements for financial assets and financial liabilities measured at amortised cost approximates their fair value

B. Financial Risk Management

The different types of risks the Company is exposed to are market risk, credit risk and liquidity risk. The company takes measures to judiciously mitigate the above mentioned risks.

i) Market Risk

a) Foreign Currency Risk

Foreign currency risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

The Company uses derivative financial instruments such as forward contracts to minimise any adverse effect on its financial performance. All such activities are undertaken within an approved Risk Management Policy framework.

The following table shows foreign currency exposures in USD on financial instruments at the end of the reporting period.

RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part of Financial Statements

(Rs. Million)

Particulars	Foreign Currency Exposure	
	As at March 31, 2020	As at March 31, 2019
Creditors for capital expenditure	23,620	27,302
Derivatives		
Forward (Refer note below)	23,599	23,464
Net Exposure	21	3,838

Note: Pursuant to the scheme of arrangement referred to in Note 33, tower business undertaking of Reliance Jio Infocomm Limited (RJIL) was transferred to the Company w.e.f. 31st March 2019. Consequently, part of the exposures covered by the derivative contracts entered into by RJIL prior to 31st March 2019, have been transferred to the Company. The Company has entered into a mutual agreement with RJIL for reimbursing derivative losses/gains relating to the exposures.

Sensitivity analysis of 1% change in exchange rate at the end of reporting period

(Rs. Million)

Particulars	Foreign Currency Sensitivity	
	As at March 31, 2020	As at March 31, 2019
1% Depreciation in INR	(0)	(38.38)
Impact on Equity		-
Impact on P&L	(0)	(38.38)
1% Appreciation in INR	0	38.38
Impact on Equity		-
Impact on P&L	0	38.38

Note: "0" represents the amount below the denomination threshold.

b) Interest Rate Risk

The Company's exposure to the risk of changes in market interest rate relates to the floating rate debt obligations. The exposure of the Company's borrowings at the end of the reporting period are as follows:

(Rs. Million)

Particulars	Interest Rate Exposure	
	As at	
Borrowings	31st March 2020	31st March 2019
Non-Current - Floating (Includes Current Maturities)*	120,000	80,000
Non-Current - Fixed (Includes Current Maturities)	118,360	118,360
Current - Fixed	30,050	29,650
Total	268,410	228,010

*Includes Rs.166 Million (Previous year Rs. Nil) as Prepaid Finance Charges at the end of the year.

Fair value sensitivity analysis for fixed-rate borrowings:

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Sensitivity analysis of 1% (floating rate borrowings) change in Interest rate:

(Rs. Million)

Particulars	Interest Rate Sensitivity as at			
	31st March 2020		31st March 2019	
	Up Move	Down Move	Up Move	Down Move
Total Impact	(1,200)	1,200	(72)	72
Impact on Equity	-	-	-	-
Impact on P&L	(1,200)	1,200	(72)	72

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RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part of Financial Statements

ii) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company. Credit risk arises from company's activities in investments and outstanding receivables from customers.

The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Credit risk is actively managed through advance payments.

iii) Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on the due date. The Company accesses global and local financial markets to meet its liquidity requirements. It uses a range of products and a mix of currencies to ensure efficient funding from across well-diversified markets and investor pools. Treasury monitors rolling forecasts of the Company's cash flow position and ensures that the Company is able to meet its financial obligation at all times including contingencies.

(Rs. Million)
Maturity Profile as at March 31, 2020

Particulars	0-1 Years	1-3 Years	3-5 Years	Above 5 years	Total
Trade Payable (Refer Note 15)	3,059	-	-	-	3,059
Creditors for Capital Expenditure	114,610	-	-	-	114,610
Other Current Financial Liabilities (Refer Note 16)	61,142	-	-	-	61,142
Borrowings* (Refer Note 12 ,14 and 16)	40,050	43,000	54,000	131,360	268,410
Total	218,861	43,000	54,000	131,360	447,221
Derivative Liabilities					
Forwards	-	-	-	-	-
Total	-	-	-	-	-

* Includes Rs.166 Million as prepaid finance charges.

(Rs. Million)
Maturity Profile as at March 31, 2019

Particulars	0-1 Years	1-3 Years	3-5 Years	Above 5 years	Total
Trade Payable (Refer Note 15)	3,111	-	-	-	3,111
Creditors for Capital Expenditure	124,770	-	-	-	124,770
Other Current Financial Liabilities (Refer Note 16)	1,024	-	-	-	1,024
Borrowings* (Refer Note 12 ,14 and 16)	39,650	20,000	50,000	118,360	228,010
Total	168,555	20,000	50,000	118,360	356,915
Derivatives Liabilities					
Forwards*	1,140	-	-	-	1,140
Total	1,140	-	-	-	1,140

Note: Pursuant to the scheme of arrangement referred to in Note 33, tower business undertaking of Reliance Jio Infocomm Limited (RJIL) was transferred to the Company w.e.f. 31st March 2019. Consequently, part of the exposures covered by the derivative contracts entered into by RJIL prior to 31st March 2019, have been transferred to the Company. The Company has entered into a mutual agreement with RJIL for reimbursing derivative losses/gains relating to the exposures.

RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part of Financial Statements

31 SEGMENT REPORTING

The Company is engaged in setting up, operating and managing of tower infrastructure in India. All activities of the Company revolve around this main business. Accordingly the Company has this single segment as per the requirements of Ind AS 108 - Operating Segment .

32 PAYMENT TO AUDITORS

	(Rs. Million)	
	For the year ended 31st March 2020	For the year ended 31st March 2019
Audit Fees	5	1
Tax audit Fee	1	-
For Other Services	2	-
Total	8	1

Note: "0" represents the amount below the denomination threshold.

33 Composite Scheme of Arrangement

The Board of Directors of the Company at their meeting held on 2nd January 2019 approved a composite scheme of arrangement (herein after referred to as "the scheme") between Reliance Jio Infocomm Limited (RJIL), Jio Digital Fibre Private Limited (JDFPL) and Reliance Jio Infratel Private Limited (RJIPL) and their respective shareholders and creditors, inter-alia for purchase of the Tower Infrastructure undertaking (Transferred undertaking) of RJIL for a lumpsum consideration, with effect from the appointed date 31st March 2019.

The scheme was approved by Ahmedabad bench of Hon'ble National Company Law Tribunal (NCLT) vide its order dated 20th March 2019 and the certified copy of the order approving the scheme has been filed with the Registrar of Companies on 30th March 2019.

The effect of the scheme was given in the financial statements for the year ended 31st March 2019.

Pursuant to the scheme

(i) All assets and liabilities of the transferred undertaking of RJIL, stand transferred to and vested with RJIPL, on a going concern basis with effect from 31st March 2019

(ii) As prescribed in the Scheme, the Company has accounted for the identified assets and liabilities acquired using the acquisition method at the acquisition date fair values in compliance with accounting standard 103 – Business

Assets	(Rs. Million)
PPE and CWIP*	328,360
Other Non-Current Assets	5,342
Current Assets	34,260
Total Assets (A)	367,962
Liabilities	
Non - Current Liabilities	225,430
Current Liabilities	140,030
Total Liabilities (B)	365,460
Net Assets (A-B)	2,502

* PPE - Plant and Equipments and CWIP is based on the valuation report of an independent valuer.

(iii) RJIPL has discharged and accounted for the lumpsum consideration to RJIL by issuance of :

(a) 2,000,000,000 class A equity shares of Re 1 each fully paid up.

(b) 50,000,000, 10% Cumulative Optionally Convertible Preference Shares of Rs. 10 each, fully paid up.

(iv) Consequent to the scheme, the company is in the process of transferring the assets and liabilities in its name.

RELIANCE JIO INFRATEL PRIVATE LIMITED

Notes forming part of Financial Statements

- 34** The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. On 24th March 2020, the Government of India ordered a nationwide lockdown for 21 days, which further was extended upto 30th June 2020, to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

The Company is engaged in the business of providing tower infrastructure and related operations in India and is in its first year of business operations. The Company has executed a long term Master Services Agreement (MSA) with Reliance Jio Infocomm Limited (RJIL) (the largest telecommunication service provider in India) as its customer, which results into committed revenues and cash flows for the Company, on a long term basis. Moreover, the COVID-19 pandemic has not had a material adverse impact on the operations of the telecommunication industry to which the Company currently caters to. Also, the Company has completed substantial portion of its planned capital expenditure and for the balance as well as for the operations and maintenance of the tower sites, the Company has in place long-term arrangements with reputed and experienced contractors/service providers. Further, part of its sanctioned borrowings are available to the Company for utilization on need basis and the Company also accesses global and local financial markets to meet its liquidity requirements.

In view of all of the above, the Company does not expect any significant challenges, including emanating out of COVID-19, particularly in the next 12 months

- 35** The figures for the corresponding previous year have been regrouped / rearranged wherever necessary, to make them comparable.

The results of the current year are not comparable with those of the previous year considering the impact of the Scheme referred to in Note -33.

36 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by board of directors on 7th July, 2020



As per our Report of even date

For Pathak H D & Associates LLP
Chartered Accountants
Firm Regn No: 107783W / W100593



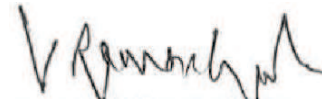
Gopal Chaturvedi
Partner
Membership No. 090903

For Deloitte Haskins & Sells
Chartered Accountants
Firm Regn No: 117364W



Varsha A. Fadte
Partner
Membership No. 103999

For and on behalf of the Board



Venkataraman Ramachandran
Director
DIN:02032853



Thriveni Shetty
Director
DIN: 07847098



Vijay Kumar Sharma
Company Secretary
Membership No: A10635

Place: Mumbai
Date: 7th July, 2020

Place: Chicalim Goa