

Augere Wireless Broadband India Private Limited
Balance Sheet

	Notes	Amount in INR	
		As of March 31, 2016	As of March 31, 2015
Equity and Liabilities			
Shareholders' funds			
Share capital	5	19,615,380	19,615,380
Reserves and surplus	6	(6,269,780)	67,674,858
		13,345,600	87,290,238
Current liabilities			
Short-term borrowings	7	85,237,597	5,840,000
Trade payables	8		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		2,950,923	7,817,935
Other current liabilities	9	1,164,513,643	901,959,198
Short-term provisions	10		19,000,000
		1,252,702,163	934,617,133
Total		1,266,047,763	1,021,907,371
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	338,571	-
Intangible assets	11	953,445,480	1,016,096,658
Capital work in progress		260,045,498	-
Long term loans and advances	12	1,230,229	10,000
		1,215,059,778	1,016,106,658
Current assets			
Cash and bank balances	13	22,661,982	5,800,713
Short-term loans and advances	14	28,167,948	-
Other Current Assets	15	158,055	-
		50,987,985	5,800,713
Total		1,266,047,763	1,021,907,371

The accompanying notes form an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W/E300004

For and on behalf of the Board of the Directors of
Augere Wireless Broadband India Private Limited

per Nilangshu Katriar
Partner
Membership No: 58814



Nilanjan Roy
Director

Rajendra Chopra
Director

Place:
Date:

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Augere Wireless Broadband India Private Limited
Statement of Profit and Loss

		Amount in INR	
	Notes	For the period ended March 31, 2016	For the year ended March 31, 2015
Income			
Revenue from operations	16	31,419	-
Other income	17	29,366,677	2,375,729
Total Income		29,398,096	2,375,729
Expenses			
Finance cost	18	7,663,645	174,204
Depreciation and amortisation	19	62,733,907	159,177,726
Other expenses	20	32,945,182	1,620,448
Total expenses		103,342,734	160,972,378
Loss for the year		(73,944,638)	(158,596,649)
Earnings per share (equity share of par value Rs. 10 each)			
Basic and diluted (in Rs.)	22	(37.70)	(80.85)

The accompanying notes form an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

For and on behalf of the Board of the Directors of

Augere Wireless Broadband India Private Limited

per Nilangshu Katriar
Partner
Membership No: 58814



Nilanjan Roy
Director

Rajendra Chopra
Director

Place:

Date:

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Augere Wireless Broadband India Private Limited
Cash Flow Statement

Amount in INR

	For the period ended March 31, 2016	For the year ended March 31, 2015
A. Cash flow from operating activities		
Profit before tax	(73,944,638)	(158,596,649)
Adjustments for :		
Depreciation and amortisation expense	62,733,907	159,177,726
Unrealised foreign exchange gain	(5,143,986)	
Liabilities no longer required written back	(22,970,170)	(2,375,729)
Finance costs	7,663,645	174,204
Interest income	(1,252,521)	-
	41,030,875	156,976,201
Operating cash flow before changes in assets and liabilities	(32,913,763)	(1,620,448)
Decrease/ (increase) in loans and advances	(29,280,323)	13,999
Increase in trade and other payables	26,312,139	1,592,829
	(2,968,184)	1,606,828
Cash generated from operations	(35,881,947)	(13,620)
Income taxes paid	(124,950)	-
Net cash used in operating activities	(36,006,897)	(13,620)
B. Cash flow from investing activities		
Purchase of fixed assets	(25,462,081)	-
Purchase of fixed deposits (with original maturity of more than 3 months)	(21,000,000)	-
Interest received	1,111,562	-
Net cash used in investing activities	(45,350,519)	-
C. Cash flow from financing activities		
Interest paid	(2,178,912)	(110,844)
Proceed from borrowings	79,397,597	5,840,000
Net cash provided by financing activities	77,218,685	5,729,156
Net increase/ (decrease) in cash and cash equivalents during the year	(4,138,731)	5,715,536
Add: Balances as at the beginning of the year	5,800,713	85,177
Balances as at the end of the year (refer note 12)	1,661,982	5,800,713

Notes:

- The above Cash flow statement has been prepared under the indirect method set out in AS-3 'Cash Flow Statements' notified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs.
- Figures in brackets indicate cash outflow.
- Previous year figures have been regrouped / reclassified, wherever necessary, to conform to the current year classification.

The accompanying notes form an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

For and on behalf of the Board of Directors of Augere Wireless Broadband India Private Limited

per Nilangshu Katriar

Partner

Membership No: 58814

Place:

Date:



Nilanjan Roy

Director

Rajendra Chopra

Director

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Augere Wireless Broadband India Private Limited

Notes to the financial statements

(All amounts in INR)

1. Company Overview

Augere Wireless Broadband India Private Limited ("the Company") is a Company incorporated under the Companies Act, 1956. The Company is an Internet Service Provider to retail and wholesale customers. It has won Broadband Wireless Access (BWA) spectrum in Madhya Pradesh circle and has commenced operations in June 2015.

2. Going Concern

As at the end of the year March 31, 2016, the company has incurred a loss of Rs. 73,944,638 (March 31, 2015 - Rs. 158,596,649) and has accumulated losses of Rs. 536,654,400 (March 31, 2015 - Rs. 462,709,762) which has eroded the networth almost by 100 percent. The Company's ability to continue as going concern is dependent of the success of operations and its ability to arrange funding for the operations. The Company based on commitments and support from Bharti Airtel Limited, the Principal Shareholder, is confident of meeting its operating and capital funding requirements in the future. Accordingly, these financial statements have been prepared on a going concern basis.

3. Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rule, 2014 issued by the Ministry of Corporate Affairs. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

These financial statements are presented in Indian Rupees ('Rupees' or 'Rs') and all amounts are rounded to the nearest rupees, except as stated otherwise.

4. Summary of significant Accounting Policies

(a) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires management to make judgement, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

(b) Fixed assets

Tangible assets

Tangible Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of tangible assets are required to be replaced in intervals, the Company recognizes such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. 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 of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. Capital work in Progress is valued at cost.



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Augere Wireless Broadband India Private Limited

Notes to the financial statements

(All amounts in INR)

Depreciation on tangible assets is provided on the straight line method based on useful lives of respective assets as estimated by the management. The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for review, and adjusted prospectively.

Estimated useful lives of the assets are as follows:

	Years
Plant & Machinery	5 - 10

The management basis its past experience and technical assessment has estimated the useful life, which is at variance with the life prescribed in Part C of Schedule II of the Companies Act, 2013 and has accordingly, depreciated the assets over such useful life.

Intangible assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year end. Changes in the expected useful life is accounted for as changes in accounting estimates and accounted prospectively over the remaining useful life. Changes in the expected pattern of consumption of future economic benefits embodied in the asset is accounted for as change in the amortisation method and accounted retrospectively, thus, amortisation is recalculated in accordance with the new method from the date of the asset coming into use and any excess or deficit on such re-computation is accounted in the statement of profit and loss when such change is effected.

Intangible fixed assets	Useful life (in years)
Spectrum license (over the life of spectrum as granted by DoT)	20
ISP license	20

(c) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date in accordance with Accounting Standard 28 'Impairment of Assets', to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss has been recognised.

(d) Cash and cash equivalent

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank, cash on hand and cheques on hand, call deposits, and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.



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Augere Wireless Broadband India Private Limited

Notes to the financial statements

(All amounts in INR)

(e) Provisions and contingencies

Provisions are recognised when the Company has a present obligation as a result of 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. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed 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 is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

(f) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the consideration received/receivable net off discounts, process waivers, and value added tax ('VAT'), service tax or duty.

(i) Service Revenue

Service revenues are recognised as the services are rendered and are stated net of discounts and service tax. Unbilled revenue represent revenue recognised in respect of services provided from the last bill cycle date to the end of the reporting period. These are billed in subsequent periods as per the terms of billing plans / contractual arrangements.

(ii) Interest Income

Revenue is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

(g) Foreign exchange transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are translated using exchange rates prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are translated using the exchange rates at the date when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.



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Augere Wireless Broadband India Private Limited

Notes to the financial statements

(All amounts in INR)

(h) Income Tax

(i) Current Income tax

Current Income tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date.

(ii) Deferred tax

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations, where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer reasonably certain or virtual certain, as the case may be, that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be realised.

(i) Loss per share

Basic loss per share is calculated by dividing the net loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average numbers of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(j) Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur.

(k) Lease

Where the company is the lessee

Leases where the lessor effectively retains substantially all the risks and rewards incidental to ownership of the leased item, are classified as operating leases. Lease rentals with respect to assets taken on 'Operating Lease' are charged to the statement of profit and loss on a straight-line basis over the lease term.

(l) Segment Reporting

Identification of segments:

The primary reporting of the company has been performed on the basis of business segments. The Company has only one reportable business segment., which is providing Internet Services and accordingly the figures in financial statements represent the activities under this segment. Further, the Company provides services only in India and accordingly, no disclosure are required under secondary segment reporting.



46

Augere Wireless Broadband India Private Limited

Notes to the financial statements

All amount in INR except number of shares

5 Share capital

	As of March 31, 2016	As of March 31, 2015
Authorised shares		
250,000,000 (March 31, 2015 - 250,000,000) equity shares of Rs. 10 each	2,500,000,000	2,500,000,000
	<u>2,500,000,000</u>	<u>2,500,000,000</u>
Issued, subscribed and fully paid-up shares		
1,961,538 (March 31, 2015 - 1,961,538) equity shares of Rs. 10 each	19,615,380	19,615,380
	<u>19,615,380</u>	<u>19,615,380</u>

a. Reconciliation of the equity shares outstanding at the beginning and at the end of year:

Particulars	As of March 31, 2016		As of March 31, 2015	
	Number of shares	Amount in INR	Number of sha	Amount in INR
At the beginning of the year	1,961,538	19,615,380	1,961,538	19,615,380
Outstanding at the end of the year	<u>1,961,538</u>	<u>19,615,380</u>	<u>1,961,538</u>	<u>19,615,380</u>

b. Terms/rights attached to equity shares

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.

c. Shares held by ultimate holding company/ holding company and/or their subsidiaries:-

	As of March 31, 2016		As of March 31, 2015	
	Number of	Amount	Number of	Amount
Subsidiaries of Ultimate holding company				
Augere (Mauritius) Limited	-	-	490,000	4,900,000
Augere Limited UK	-	-	961,538	9,615,380
Total	<u>-</u>	<u>-</u>	<u>1,451,538</u>	<u>14,515,380</u>

d. Details of shareholders (as per the register of shareholders) holding more than 5% shares in the Company

	As of March 31, 2016		As of March 31, 2015	
	Number of share	% holding	Number of shares	% holding
Bharti Airtel Limited	1,961,538	100%	-	-
Augere (Mauritius) Limited	-	-	490,000	25%
Augere Limited	-	-	961,538	49%
Weikfield Products Corporation LLP	-	-	510,000	26%
	<u>1,961,538</u>		<u>1,961,538</u>	

During the year entire share capital of the Company held by Augere (Mauritius) Limited, Augere Limited and Weikfield Products Corporation LLP respectively, have been transferred to Bharti Airtel Limited. The consummation of the said transaction is subject to certain conditions. However, subsequent to Balance Sheet date the said condition have been fulfilled.

Further, on April 06, 2016 an application is filled to the Hon'ble Delhi High Court for merger of the Company with Bharti Airtel Limited for which approval is pending.

During the previous year ended March 31, 2015 Induco Infradevelopers Limited and Ellencon Power Projects Private Limited has transferred 490,000 and 20,000 equity shares respectively to Weikfield Products Corporation LLP.



Augere Wireless Broadband India Private Limited
Notes to the financial statements

	As of March 31, 2016	Amount in INR As of March 31, 2015
6 Reserves and surplus		
Securities premium account	530,384,620	530,384,620
(Deficit) in the Statement of Profit and Loss		
Balance at the beginning of the year	(462,709,762)	(304,113,113)
Add: Loss for the year	(73,944,638)	(158,596,649)
Balance at the end of the year	<u>(536,654,400)</u>	<u>(462,709,762)</u>
	<u>(6,269,780)</u>	<u>67,674,858</u>
7 Short-term borrowings		
(Unsecured unless stated otherwise)		
Weikfield Products Corporation LLP at 18% p.a. repayable on demand (refer note 24) @	35,840,000	5,840,000
Bharti Airtel Limited 12% p.a. repayable on demand	49,397,597	-
	<u>85,237,597</u>	<u>5,840,000</u>
@ Repaid subsequent to the Balance Sheet Date.		
8 Trade payables		
-Due to micro and small enterprises *	-	-
-Trade payables other than dues to Micro and Small Enterprises	2,950,923	7,817,935
	<u>2,950,923</u>	<u>7,817,935</u>
* There is no amount payable to micro and small enterprises as at March 31, 2016 (March 31, 2015 Rs. Nil). Accordingly, disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are not applicable on the Company.		
9 Other current liabilities		
Equipment supply payables	218,445,596	3,678,745
Augere Limited, UK (refer note 27 & 24) # @	664,235,250	706,600,000
Augere (Mauritius) Limited (refer note 23 & 24) #	191,529,477	191,529,477
Other taxes payable	514,508	87,616
Interest accrued but not due on borrowings	1,783,422	-
Interest accrued but not due on borrowings (refer note 24) #	3,764,672	63,360
Others	84,240,718	-
	<u>1,164,513,643</u>	<u>901,959,198</u>
# Due to related party as on March 31, 2015.		
@ Repaid subsequent to the Balance Sheet Date.		
10 Short-term provisions		
Provision for claims	-	19,000,000
	<u>-</u>	<u>19,000,000</u>



Augere Wireless Broadband India Private Limited
Notes to the financial statements

11. Tangible assets and Intangible assets				Amount in INR
Particulars	Plant and Equipment	Tangible assets Total	License (Incl. Spectrum)	Intangible assets Total
Cost				
As of April 1, 2014	-	-	543,000,000	543,000,000
Additions	-	-	706,600,000 #	706,600,000
As of March 31, 2015	-	-	1,249,600,000	1,249,600,000
Additions	421,300	421,300	-	-
As of March 31, 2016	421,300	421,300	1,249,600,000	1,249,600,000
Accumulated Depreciation				
As of April 1, 2014	-	-	74,325,616	74,325,616
Charge for the year	-	-	159,177,726 #	159,177,726
As of March 31, 2015	-	-	233,503,342	233,503,342
Charge for the year	82,729	82,729	62,651,178	62,651,178
As of March 31, 2016	82,729	82,729	296,154,520	296,154,520
Net Carrying Amount				
As of April 1, 2014	-	-	468,674,384	468,674,384
As of March 31, 2015	-	-	1,016,096,658	1,016,096,658
As of March 31, 2016	338,571	338,571	953,445,480	953,445,480

Includes prior period cost for the period ended March 31, 2015 Rs. 96,697,726 (refer note 26).



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Augere Wireless Broadband India Private Limited
Notes to the financial statements

Amount in INR

12 Long term loans and advances	As of March 31, 2016	As of March 31, 2015
Unsecured, considered good, unless stated otherwise		
Advances #	1,220,229	-
Security deposits	10,000	10,000
Service tax receivable	4,259,544	4,259,544
	<u>5,489,773</u>	<u>4,269,544</u>
Less : provision for service tax receivable	4,259,544	4,259,544
	<u>1,230,229</u>	<u>10,000</u>

Advances represent payments made to Government authority under protest.

13 Cash and bank balances	As of March 31, 2016	As of March 31, 2015
Cash and cash equivalents		
Balances with banks		
- On current accounts	1,661,982	5,800,713
Other bank balances		
Fixed deposits with original maturity of more than 3 months but upto 12 months*	21,000,000	-
	<u>22,661,982</u>	<u>5,800,713</u>

* The Company has placed fixed deposits of Rs. 21,00,000 (March 31, 2015 - Rs. Nil) towards the bank guarantees issued by the Bank as required by the Internet Service Provider License as issued by DoT towards financial bank guarantee Rs. 1,000,000 and performance bank guarantee Rs. 20,000,000

14 Short-term loans and advances	As of March 31, 2016	As of March 31, 2015
Unsecured, considered good, unless stated otherwise		
Balance with customs, excise and other authorities	28,042,998	-
TDS Receivables	124,950	-
	<u>28,167,948</u>	<u>-</u>

15 Other Current Assets	As of March 31, 2016	As of March 31, 2015
Unsecured, considered good, unless stated otherwise		
Interest accrued on fixed deposits	140,959	-
Others	17,096	-
	<u>158,055</u>	<u>-</u>



Augere Wireless Broadband India Private Limited
Notes to the financial statements

	Amount in INR	
16 Revenue from operations	For the Year Ended March 31, 2016	For the Year Ended March 31, 2016
Service Revenue	31,419	-
	<u>31,419</u>	<u>-</u>
17 Other income	For the Year Ended March 31, 2016	For the Year Ended March 31, 2016
Liabilities no longer required written back	22,970,170	2,375,729
Net foreign exchange gain	5,143,986	-
Interest on fixed deposit	1,252,521	-
	<u>29,366,677</u>	<u>2,375,729</u>
18 Finance costs	For the Year Ended March 31, 2016	For the Year Ended March 31, 2016
Interest expense	7,425,854	63,360
Other borrowing cost	237,791	110,844
	<u>7,663,645</u>	<u>174,204</u>
19 Depreciation and amortisation	For the Year Ended March 31, 2016	For the Year Ended March 31, 2016
Depreciation on tangible assets (refer note 11)	82,729	-
Amortisation on intangible assets (refer note 11)*	62,651,178	159,177,726
	<u>62,733,907</u>	<u>159,177,726</u>
* Includes Prior period cost for the year ended March 31, 2016 Rs. Nil (March 31, 2015 Rs. 96,697,726) refer note 26.		
20 Other expenses	For the Year Ended March 31, 2016	For the Year Ended March 31, 2016
Legal and professional fees #	29,016,407	876,158
Rates & Taxes	3,600,000	-
License fees	127,753	740,665
Rent Expenses	90,000	-
Network Operation cost	73,393	-
Selling and Distribution expenses	27,228	-
Miscellaneous expenses	10,401	3,625
	<u>32,945,182</u>	<u>1,620,448</u>
# Includes Auditor remuneration as below:		
Audit Fee @	450,000	250,000
Reimbursement of Expenses @	33,750	-
	<u>483,750</u>	<u>250,000</u>
@ Excluding service tax.		



Augere Wireless Broadband India Private Limited
Notes to the financial statements

Amounts in INR

21 Contingent liabilities and Commitments

	As of March 31, 2016	As of March 31, 2015
<u>Contingent liabilities</u>		
Financial Bank Guarantees	1,000,000	-

Commitments

Estimated amount of contracts to be executed on capital account and not provided for as on March 31, 2016 is Rs. 319,336,353 (March 31, 2015 Rs. Nil).

22 Earnings per share

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Basic and Diluted Earnings Per share:		
Nominal value of equity shares	10	10
Loss attributable to equity shareholders (A)	(73,944,638)	(158,596,649)
Weighted average number of equity shares outstanding during the year (Numbers) (B)	1,961,538	1,961,538
Basic/Diluted loss per share (A/B)	(37.70)	(80.85)

23 Augere (Mauritius) Limited had provided guarantees to HSBC Mauritius in respect of standby letters of credit ('SBLCs') against overdraft facility made available by HSBC India to the Company. On 13 May 2013, HSBC India revoked SBLCs upon HSBC Mauritius whereby the liability due by the Company to HSBC India was extinguished. As a result of settlement of the overdraft by Augere (Mauritius) to HSBC India in the capacity of guarantor to the line of credit, the Company has recorded an amount of Rs. 191,529,477 as "payable to related party" under the head "Other current liability".

24 Related party disclosures

In accordance with the requirements of Accounting Standards (AS) -18 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships are:

a. Name of the related party and related party relationship (refer note 5(d)) :-

Name of the party	Nature of the relationship
Augere Holdings (Netherlands) B.V	Ultimate Holding Company until December 27, 2015
Augere (Mauritius) Limited	Fellow subsidiary until December 27, 2015
Augere Limited UK	Fellow subsidiary until December 27, 2015
Weikfield Products Corporation LLP	Entity having significant influence until December 27, 2015



Augere Wireless Broadband India Private Limited
Notes to the financial statements

Related parties transactions for the year ended March 31, 2016	For the year ended March 31, 2016	Amounts in INR
		For the year ended March 31, 2015
Intangible asset purchase/ adjustment (refer to note 26)		
Augere Limited UK	-	706,600,000
Loan taken during the year		
Weikfield Products Corporation LLP	30,000,000	5,840,000
Interest on loan		
Weikfield Products Corporation LLP	3,899,994	63,360
Outstanding balances as at	As at March 31, 2016	As at March 31, 2015
Augere (Mauritius) Limited (refer to note 23) *	-	191,529,477
Augere Limited, UK (refer to note 26) *	-	706,600,000
Weikfield Products Corporation LLP *	-	5,903,360

* Not a related party as on March 31, 2016.

25 Segment reporting

In the opinion of the management, there is only one reportable business segment i.e. providing broadband services as envisaged by Accounting Standard 17 on "Segment Reporting". Accordingly, no disclosure for segment reporting has been made in the financial statements.

26 Capitalization of spectrum costs

During the year ended March 31, 2015, Augere Limited, UK vide letter 16 February 2015 requested the Company to refund spectrum fee of Rs. 706,600,000 paid to Department of Telecommunication, Government of India ('DOT') on behalf of the Company. The Company vide letter dated 23 February 2015, requested RBI for approval to repay the balance spectrum fee to Augere Limited, UK. RBI vide letter dated 8 April 2015 approved the Company's request for repayment of balance spectrum fee amounting to Rs. 706,600,000 to Augere Limited, UK. Since, necessary approval has been received from RBI, the Company has capitalized the balance spectrum cost with the corresponding adjustment in other current liabilities as a payable to related party as at March 31, 2016 and March 31, 2015. Further, the Company had also charged Rs. 96,697,726 with respect to the above capitalization representing amortisation from the date intangible asset was ready to use i.e. the date on which spectrum was assigned to the Company (6 July 2011) till 31 March 2014 representing amortisation with respect to prior periods.

27 In prior years, the Company had filed a compounding application to RBI in respect of delay in issuing equity shares to Augere Limited UK beyond 180 days of it being permitted for retention of such payment as share subscription money. However, application was returned by the RBI whereby RBI had directed the Company to approach RBI on completion of issuance of equity shares with respect to Rs. 706,600,000 which was pending the underlying FIPB approval. During last financial year, Company was requested to repay Rs. 706,600,000 which was pending capitalization and accordingly applied to RBI on 23 February 2015 for necessary approvals with respect to repayment of such sum to Augere Limited UK which was obtained on 08 April 2015. During the period the Company, vide letter dated 20 May 2015, again requested RBI for compounding with respect to the above matter and consequently RBI had imposed a penalty of Rs 3,600,000, which was paid during the current year and the same has been shown under Other expenses.



Augere Wireless Broadband India Private Limited
Notes to the financial statements

Amount in INR

28 Particulars of un-hedged foreign currency exposure

Particulars	As of March 31, 2016	As of March 31, 2015
Outstanding		
Equipment supply payables (As of March 31, 2016 USD 2,947,843 and As of March 31, 2015 USD Nil)	195,309,319	-
	<u>195,309,319</u>	<u>-</u>

29 Previous year amounts have been regrouped / reclassified where necessary to conform to current year's classification.

