

VODAFONE INDIA VENTURES LIMITED

Financial Statements

For the year ended March 31, 2019



INDEPENDENT AUDITOR'S REPORT

To the Members of Vodafone India Ventures Limited

Report on the Audit of the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of Vodafone India Ventures Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

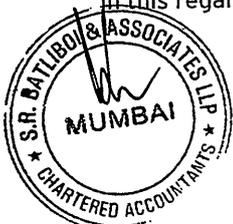
Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Annual report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.



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Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2018, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 30, 2018.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;



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Chartered Accountants

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- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Vineet Kedia

Partner

Membership Number: 212230

Place: Mumbai

Date: April 30, 2019



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Annexure 1 referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements of our report of even date

Re: Vodafone India Ventures Limited (the 'Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the Company and accordingly, the requirement under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3 (ii) of the Companies (Auditor's report) Order, 2016 (the "Order") are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (the "Act"). Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no investments, loans, guarantees and securities given in respect of which provisions of section 185 and section 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Act, for the services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and service tax, duty of custom, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. The provisions relating to sales tax, value added tax and duty of excise are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, good and service tax, duty of custom, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, goods and service tax and cess which have not been deposited on account of any dispute.



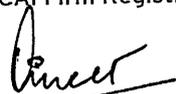
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- (viii) The Company did not have any outstanding loans or borrowings due in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer or debt instruments and term loans, hence reporting under clause (ix) is not applicable to the Company and not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transaction with the related parties are in compliance with section 188 of the Act where applicable and details have been disclosed in the notes to financial statement, as required by the applicable accounting standard. The provisions of section 177 is not applicable to the Company and accordingly reporting under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004



per Vineet Kedia
Partner
Membership Number: 212230
Place: Mumbai
Date: April 30, 2019



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Annexure 2 to the Independent Auditor's report of even date on the Ind AS Financial Statements of Vodafone India Ventures Limited

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

We have audited the internal financial controls over financial reporting of Vodafone India Ventures Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and



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Chartered Accountants

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dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004



per Vineet Kedia
Partner
Membership Number: 212230
Place: Mumbai
Date: April 30, 2019



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

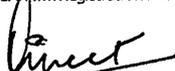
Balance Sheet as at March 31, 2019

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	7	461	-
Capital work-in-progress		-	96
Other Intangible assets	8	13,891	-
Intangible assets under development		-	9,530
Financial assets			
Other non-current financial assets	9	211	106
Other non-current assets	10	1,604	41
Total non-current assets (A)		16,167	9,773
Current assets			
Financial assets			
Trade receivables	11	928	-
Cash and cash equivalents	12	804	48
Other current assets	13	1,087	113
Total current assets (B)		2,819	161
Total Assets (A+B)		18,986	9,934
Equity and Liabilities			
Equity			
Equity share capital	14	200	200
Other equity	15	627	(52)
Total equity (A)		827	148
Liabilities			
Non-current liabilities			
Financial liabilities			
Trade payables		-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		6	-
Long term provisions	16	50	-
Deferred tax liabilities (net)	32 & 33	402	-
Total non-current liabilities (B)		458	-
Current liabilities			
Financial liabilities			
Short term borrowings	17	3,244	140
Trade payables		-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,359	54
Other current financial liabilities	18	11,746	9,591
Other current liabilities	19	338	1
Short term provisions	20	14	-
Total current liabilities (C)		17,701	9,786
Total Equity and Liabilities (A+B+C)		18,986	9,934

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

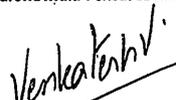
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Vineet Kedia
Partner
Membership No.: 212230

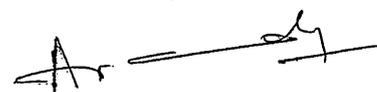


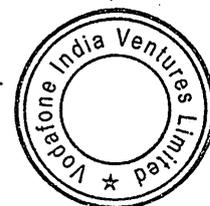
Place: Mumbai
Date: April 30, 2019

For and on behalf of the Board of Directors of
Vodafone India Ventures Limited


Venkatesh Viswanathan
Director
(DIN: 03122706)

Place: Mumbai
Date: April 30, 2019


Ambrish Jain
Director
(DIN: 07068438)



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Statement of Profit and Loss for the year ended March 31, 2019

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Service revenue		18,639	-
Other operating income	21	2	-
Revenue from operations		18,641	-
Other income	22	497	-
Total income		19,138	-
Operating Expenditure			
Employee benefit expenses	23	7,032	-
Other expenses	24	6,659	40
Total expense		13,691	40
Profit/(Loss) before finance charge, depreciation & amortisation and tax		5,447	(40)
Finance costs	25	308	-
Depreciation	7	285	-
Amortisation	8	3,475	-
Profit/(Loss) before tax		1,379	(40)
Tax expense:			
- Current tax	32	298	-
- Deferred tax	32 & 33	402	-
Profit/(Loss) after tax		679	(40)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive profit / (loss) for the year		679	(40)
Earnings/(Loss) per equity share of ₹ 10 each:	34		
Basic (₹)		33.95	(2.00)
Diluted (₹)		33.95	(2.00)

The accompanying notes are 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


Vineet Kedia
Partner
Membership No.: 212230



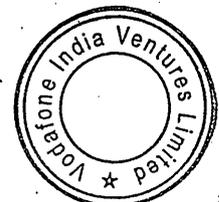
Place: Mumbai
Date: April 30, 2019

For and on behalf of the Board of Directors of
Vodafone India Ventures Limited


Venkatesh Viswanathan
Director
(DIN: 03122706)


Amrish Jain
Director
(DIN: 07068438)

Place: Mumbai
Date: April 30, 2019



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Statement of Changes in Equity for the year ended March 31, 2019

A. Equity share capital:

Equity shares of ₹ 10 each issued, subscribed and fully paid

	Numbers	Amount
As at April 1, 2017	2,000,000	200
Issue of share capital	-	-
As at March 31, 2018	2,000,000	200
Issue of share capital	-	-
As at March 31, 2019	2,000,000	200

B. Other equity

Particulars	Retained earnings
As at April 1, 2017	(12)
Loss for the year the year ended March 31, 2018	(40)
Other comprehensive income for the year year ended March 31, 2018	-
As at March 31, 2018	(52)
Profit for the year ended March 31, 2019	679
Other comprehensive income for the year ended March 31, 2019	-
As at March 31, 2019	627

As per our report of even date

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


Vineet Redia
Partner
Membership No.: 212230



Place: Mumbai
Date: April 30, 2019

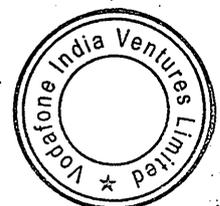
For and on behalf of the Board of Directors of
Vodafone India Ventures Limited


Venkatesh Viswanathan
Director
(DIN: 03122706)



Amrish Jain
Director
(DIN: 07068438)

Place: Mumbai
Date: April 30, 2019



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Statement of Cash Flows for the year ended March 31, 2019

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Operating activities		
Profit / (Loss) before tax	1,379	(40)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	285	-
Amortisation of intangible assets	3,475	-
Share-based payment expense	6	-
Finance costs	308	-
Provision for gratuity and compensated absences	64	-
Working capital adjustments		
(Increase) in trade receivables	(928)	-
(Increase) in other financial and non-financial assets	(1,069)	(260)
Increase in trade payables	2,305	42
Increase in other financial and non-financial liabilities	337	1
Cash flows from / (used) operating activities	6,162	(257)
Income tax paid (including TDS) (net)	(1,871)	-
Net cash flows from / (used) operating activities	4,291	(257)
Investing activities		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(6,351)	(35)
Net cash flows used in investing activities	(6,351)	(35)
Financing activities		
Payment of interest and finance charges	(288)	-
Proceeds from short term borrowings	7,904	140
Repayment of short term borrowings	(4,800)	-
Net cash flows from financing activities	2,816	140
Net increase / (decrease) in cash and cash equivalents	756	(152)
Cash and cash equivalents at the beginning of the year	48	200
Cash and cash equivalents at the end of the year	804	48

Notes to Statement of Cash Flows for the year ended March 31, 2019

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

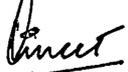
Particular	For the year ended March 31, 2019	For the year ended March 31, 2018
Balances with banks		
In current accounts	804	48
	804	48

2. The above Statement of Cash Flow has been prepared under the indirect method as set out in Ind AS 7 on Statement of Cash Flows.

The accompanying notes are 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


Vineet Kedia
Partner
Membership No.: 212230



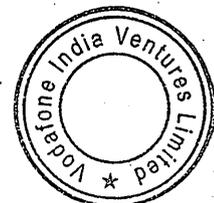
Place: Mumbai
Date: April 30, 2019

For and on behalf of the Board of Directors of
Vodafone India Ventures Limited


Venkatesh Viswanathan
Director
(DIN: 03122706)

Place: Mumbai
Date: April 30, 2019


Amrish Jain
Director
(DIN: 07068438)



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

1. Corporate Information

Vodafone India Ventures Limited (herein referred to as "VIVL" or "the Company"), a wholly owned subsidiary of Vodafone Idea Limited ("VIL") was incorporated on October 29, 2016 under the provisions of the Companies Act applicable in India. The registered office of the Company is situated at Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013, India.

The Company is an outsourcing hub for finance and accounts, human resources, supply chain management, credit & collection support, customer support and catering to the Information Technology (IT) needs for data consolidation, back end IT supports for Vodafone Idea Limited and its subsidiary Companies ('Group) the group. The Company had set up its facilities at Ahmedabad and Pune location. In the month of April 2018, the company recruited employees and started providing these services to Group Companies from both locations.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on April 30, 2019.

2. Statement of compliance

The financial statements of the Company comprising of Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows together with the notes have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

3. Basis of preparation

The financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services on the transaction date.

All financial information presented in INR has been rounded off to lakhs unless otherwise stated.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act, 2013.

New and amended standards adopted by the Company

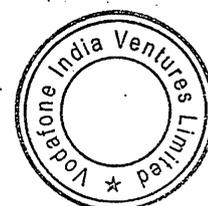
Effective April 1, 2018 the Company has adopted Ind AS 115 "Revenue from Contracts with Customer". The new revenue recognition standard defines a new five-step model to recognise revenue from customer contracts. Revenue is recognised when a customer obtains control of the goods or receives services and thus has the ability to direct the use and obtain the benefits from the goods or services.

Other standards don't have impact on the Company.

4. Significant Accounting Policies

a) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and can be reliably measured, regardless of the timing of receipt of payment. Revenue is measured at the "Transaction Price" i.e. an amount that reflects the consideration, to which an entity expects to be entitled in exchange for transferring services to customers, excluding amounts collected on behalf of third parties. Taxes and duties collected by the service provider are to be deposited with the government and not received by the company on its own account. Accordingly, it is excluded from revenue.



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

i. Service Revenue

Revenue is recognised as and when services are rendered and related costs are incurred.

ii. 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 recorded using the applicable Effective Interest Rate (EIR), which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to that asset's net carrying amount on initial recognition.

b) Leases

The Company evaluates whether an arrangement is (or contains) a lease based on the substance of the arrangement at the inception of the lease. An arrangement which is dependent on the use of a specific asset or assets and conveys a right to use the asset or assets, even if it is not explicitly specified in an arrangement is (or contains) a lease.

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a lessee

Operating lease:

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue. Contingent rentals arising, if any, under operating leases are recognised as an expense in the period in which they are incurred.

c) Employee benefits

i. Defined Contribution Plan

Contributions to Provident and Pension funds are funded with the appropriate authorities and charged to the Statement of Profit and Loss when the employees have rendered service entitling them to the contributions.

The Company has no obligation other than contribution payable to these funds.

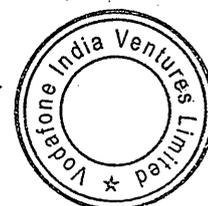
ii. Defined Benefit Plan

The Company operates a defined benefit gratuity plan for eligible employees. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, with actuarial valuations being carried out at periodic intervals.

Re-measurements, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding charge or credit to Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs; and
- Net interest expense or income



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

i. Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries, wages and other short term employee benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Provision for leave benefits to employees is based on management estimation at each reporting date. The related cost is recognised in the Statement of Profit and Loss in the period in which they arise.

ii. Share-based payments

Stock option of Vodafone Group Plc (VGPLC) granted to the employees of the Company are accounted as cash-settled share based payments by the Company.

The fair value of the cash settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of stock option that will eventually vest, with a corresponding increase in liability. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the cash-settled employee benefits liability.

In respect of cancellation of unvested stock options, the amount already charged as share based payment expense is reversed under the same head in the Statement of Profit and Loss.

d) Foreign currency transactions

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded at the INR spot rate on the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised on net basis within finance cost in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recognised using the exchange rates at the dates of the initial transactions.

e) Taxes

Income tax expense represents the sum of current tax and deferred tax.

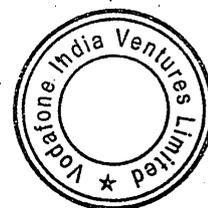
i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax is based on the taxable income and calculated using the applicable tax rates and tax laws. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in OCI or directly in equity.

ii. 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 tax assets are



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at the end of each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation statute.

f) Current / Non – Current Classification

An asset is classified as current when

- a) It is expected to be realized or consumed in the respective company's normal operating cycle;
- b) It is held primarily for the purpose of trading;
- c) It is expected to be realized within twelve months after the reporting period; or
- d) If it is cash or cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Any asset not conforming to the above is classified as non-current.

A liability is classified as current when

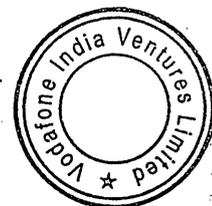
- a) It is expected to be settled in the normal operating cycle of the respective companies;
- b) It is held primarily for the purposes of trading;
- c) It is expected to be settled within twelve months after the reporting period; or
- d) The respective companies have no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Any liability not conforming to the above is classified as non-current.

g) Property, Plant and Equipment

Property, Plant and Equipment (PPE) and Capital work in progress (CWIP) held for use in the rendering of services and supply of goods, or for administrative purposes, are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all direct costs relating to acquisition and installation of Property, Plant and Equipment, non-refundable duties and borrowing cost relating to qualifying assets. CWIP represents cost of property, plant and equipment not ready for intended use as on the reporting date. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Subsequent costs are included in the assets 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. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Depreciation commences once such assets are available for use in the intended condition and location. Depreciation is provided using straight-line method on pro rata basis over their estimated useful economic lives as given below. The useful life is taken as prescribed in Schedule II to the Companies Act, 2013 except where the estimated useful economic life has been assessed to be lower.



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

Particulars	Estimated useful life (in years)
Leasehold Improvements	Period of lease or 10 years whichever is lower
Plant and machinery	
Servers	5 years
Other computer hardware	3 years
Furniture and fixtures	5 years
Office Equipments	5 years

When any significant part of property, plant and equipment is discarded or replaced, the carrying value of discarded / replaced part is derecognized. Any gains or losses arising from retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss on the date of retirement or disposal.

h) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Cost includes all direct costs relating to acquisition of Intangible assets and borrowing cost relating to qualifying assets. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any

The useful lives of intangible assets are assessed as either finite or indefinite. There are no intangible assets assessed with indefinite useful life.

Intangible assets with finite lives are amortised over the useful economic life. The amortisation period, residual value and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Intangible assets are amortised on straight line method as under:

- Software, which is not an integral part of hardware, is treated as an intangible asset and is amortised over its useful economic life as estimated by the management to be 3 to 5 years.

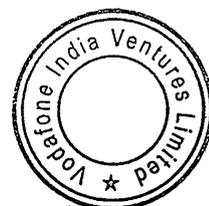
Cost of Intangible assets under development represents cost of intangible assets not ready for intended use as on the reporting date.

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

i) Impairment of Non – Financial Assets

Tangible and Intangible assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, an appropriate valuation model is used. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, an impairment loss is recognised in Statement of Profit and Loss by reducing the carrying amount of the asset (or cash-generating unit) to its recoverable amount.



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

Impairment losses recognized in the earlier periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. If such indication exists, the Company estimates the asset's (or cash generating unit's) recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had such impairment loss not been recognised for the asset (or cash-generating unit) in prior years. Any reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

j) Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. All Borrowing costs are expensed in the period in which they are incurred.

k) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise of cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

l) Financial Instruments

Initial recognition and measurement

Financial Instruments (assets and liabilities) are recognised when the Company becomes a party to a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit and Loss.

i) Financial assets

All regular way purchase or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Subsequent measurement

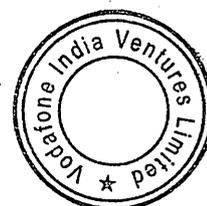
All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets:

- a) Financial assets measured at amortised cost
- b) Financial assets measured at fair value through profit or loss (FVTPL) - The Company does not have any assets classified as FVTPL.
- c) Financial assets measured at fair value through other comprehensive income (FVTOCI) – The Company does not have any assets classified as FVTOCI.

(a) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables, loans, etc.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement; and either
 - the Company has transferred substantially all the risks and rewards of the asset, or
 - the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Debt instruments measured at amortised cost e.g., loans and bank deposits
- Trade receivables
- Other Financial assets not designated as FVTPL

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

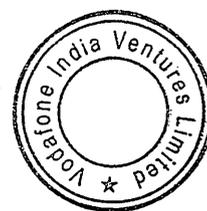
ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

ii. Financial liabilities

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the EIR method or at FVTPL. The Company does not have any liability classified as FVTPL.



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

Financial liabilities at amortised cost

After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

iii. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

m) Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

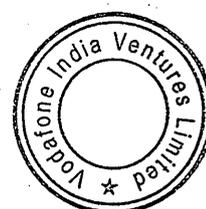
For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) (a) on the date of the event or change in circumstances that caused the transfer or (b) at the end of each reporting period or (c) at the beginning of each reporting period.

n) Earnings per share

The earnings considered in ascertaining the Company's Earnings per share (EPS) is the net profit after tax. EPS is disclosed on basic and diluted basis. Basic EPS is computed by dividing the profit / loss for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

o) Provisions and Contingent Liabilities

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. The expense relating to a provision is presented in the Statement of Profit and Loss.



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

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.

Contingent Liabilities

A Contingent Liability is disclosed where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent Assets are not recognised.

5. Use of Estimates, assumptions and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialise.

The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Estimates and Assumptions

a. Share-based payments

Share issued by Vodafone Group Plc., is measured by deducting the present value of expected dividend cash flows over the life of the awards from the share price as at the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. Vesting conditions, other than market conditions i.e. performance based condition are not taken into account when estimating the fair value. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 28.

b. Taxes

The company provide for tax considering the applicable tax regulations and based on reasonable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

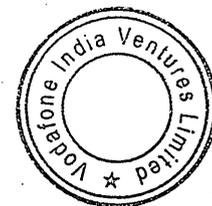
c. Defined benefit plans (gratuity benefits)

The Company's obligation on account of gratuity is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions.

All assumptions are reviewed at each reporting date. The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 29.



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

d. Useful life of Property, Plant and Equipment and intangible assets

The useful life to depreciate property, plant and equipment is based on technical obsolescence, nature of assets, estimated usage of the assets, operating conditions of the asset, and manufacturers' warranties, maintenance and support period, etc. The charge for the depreciation and amortisation is derived after considering the expected residual value at end of the useful life.

The residual values, useful lives and methods of depreciation of property, plant and equipment and intangible assets are reviewed by the management at each financial year end and adjusted prospectively, if appropriate. Further details about property, plant and equipment and intangibles assets are given in Note 7 and 8.

e. Provisions and Contingent Liabilities

Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Evaluations of uncertain provisions and contingent liabilities and assets requires judgement and assumptions regarding the probability of realization and the timing and amount, or range of amounts, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts.

6. New accounting pronouncements to be adopted on or after April 1, 2019.

a. Ind AS 116-Leases

Ind AS 116, Leases, will be applied from April 1 2019. Currently, the payment obligations arising from operating leases only have to be disclosed in the Notes. In the future, the rights and obligations related to such leases are required to be recognised as assets (right-of-use asset) and liabilities (lease liability) in the Balance sheet.

The Company will adopt the modified retrospective approach for the introduction of this standard. Under this approach, the comparable figures for the previous year are not adjusted and all adjustment effects as of April 1, 2019 have therefore to be presented as adjustments to retained earnings. In addition, the Company will recognise the right-of-use assets on the basis of the corresponding lease liabilities upon first-time application and not in the amount of the carrying amounts of the lease liabilities at the start of the contract, such that Ind AS 116 has no impact on equity as of April 1, 2019. Short-term leases with a term of less than twelve months (and containing no purchase options) and leases where the underlying asset has a low value will not be recognised. The same applies to contracts with a remaining term of less than a year upon first-time application.

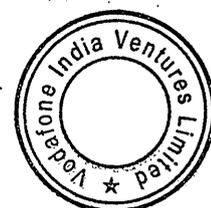
In view of the contracts concluded as of the reporting date, the Company is anticipating an increase in total assets and lease liabilities. The expenses related to operating leases are currently shown in the income statement under operating expenses. Adoption will include additional amortisation on the right of uses and interest expenses on the lease liability. These changes in presentation are expected to impact profit before finance cost, depreciation, amortisation and before tax. In addition, the change in the presentation of the expenses related to operating leases will result in a transfer from cash flow from financing activities to cash flow from operating activities as the lease payments no longer affect the operating cash flow and are instead recognised as interest and redemption payments within cash flow from financing activities.

The Company is in process of evaluating the effect of this on the financial statements.

b. Amendment to Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

Amendment clarify that Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

- i. Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii. Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The Company is currently evaluating the effect of this amendment on the financial statements.

c. Amendment to Ind AS 12 'Income Tax'

Amendment requires an entity to recognise the income tax consequences of dividends including payments on financial instruments classified as equity, when liability to pay a dividend is recognised. Therefore, an entity shall recognise the income tax consequences in Statement of Profit and Loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The amendment has no impact on the financial statements.

d. Amendment to Ind AS 23 'Borrowing Costs'

The amendment clarifies for computing general rate of borrowed fund, an entity should exclude specific borrowing for obtaining a qualifying asset, only until the asset is ready for its intended use or sale. Borrowing costs (related to specific borrowings) that remains outstanding after the related qualifying asset is ready for use or sale would subsequently be considered as part of general borrowing costs of the entity.

The amendment has no impact on the financial statements.

e. Amendment to Ind AS 19 'Employee Benefits'

The amendment clarifies that when a defined benefit plan is amended, curtailed or settled, entities would be required to use updated actuarial assumptions to determine its current service cost and net interest for the remainder of the annual reporting period

The effect of the asset ceiling would not be considered while calculating the gain or loss on any settlement of the plan. Subsequently, it would be recognised in OCI.

This amendment has no significant impact on the Company's Statement of Profit and Loss and Balance Sheet.

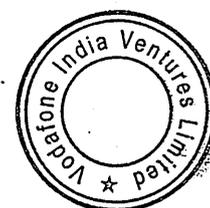
d. Amendment to Ind AS 109 'Financial Instruments'

The amendment to Ind AS 109 clarifies that an exception has been prescribed to the classification and measurement requirements with respect to SPPI criteria for financial assets which:

- i. Have a prepayment feature that results in negative compensation
- ii. Apart from the prepayment feature other features of financial assets would have contractual cash flows which would meet the SPPI criteria and
- iii. The fair value of the prepayment feature is insignificant when the entity initially recognises the financial asset. (If it is impracticable to assess based on facts and circumstances that existed on initial recognition, then exception would not be available)

Such financial assets could be measured at amortised cost or at FVOCI based on business model within which they are held.

This amendment has no significant impact on the Company's Statement of Profit and Loss and Balance Sheet.



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

Note 7

Property, Plant and Equipment

Particulars	Leasehold Improvement	Plant and machinery	Furniture and fixtures	Office equipments	Total
Cost					
As at April 1, 2018	-	-	-	-	-
Additions	176	411	90	69	746
Disposals/Adjustments	-	-	-	-	-
As at March 31, 2019	176	411	90	69	746
Accumulated Depreciation					
As at April 1, 2018	-	-	-	-	-
Depreciation charge for the year	28	208	25	24	285
Disposals/Adjustments	-	-	-	-	-
As at March 31, 2019	28	208	25	24	285
Net Book Value					
As at March 31, 2019	148	203	65	45	461
As at March 31, 2018	-	-	-	-	-

Note 8

Intangible assets

Particulars	Computer - Software	Total
Cost		
As at April 1, 2018	-	-
Additions *	17,366	17,366
Disposals/Adjustments	-	-
As at March 31, 2019	17,366	17,366
Accumulated Amortisation		
As at April 1, 2018	-	-
Amortisation charge for the year	3,475	3,475
Disposals/Adjustments	-	-
As at March 31, 2019	3,475	3,475
Net Book Value		
As at March 31, 2019	13,891	13,891
As at March 31, 2018	-	-

* Additions during the year includes software licenses, intellectual property rights and software customisation

Note 9

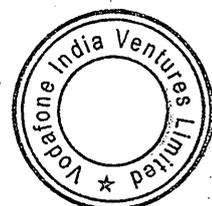
Other non-current financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
Deposits with body corporate and others	211	106
Total	211	106

Note 10

Other non-current assets

Particulars	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	31	41
Advance income tax (Net)	1,573	-
Total	1,604	41



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

Note 11

Trade receivables (Unsecured, unless otherwise stated) (refer note 35)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Billed Receivables		
Unsecured- Considered Good	928	-
Total	928	-

Note 12

Cash and cash equivalents

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Balances with banks		
- In current accounts	804	48
Total	804	48

Note 13

Other current assets

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Input tax credit	854	-
Prepaid expenses	176	113
Others	57	-
Total	1,087	113

Note 14

Equity share capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	Numbers	Amount	Numbers	Amount
EQUITY SHARE CAPITAL				
Authorised share capital				
Equity Shares of ₹ 10 each	5,000,000	500	5,000,000	500
	5,000,000	500	5,000,000	500
Issued, subscribed and paid-up share capital				
Equity Shares of ₹ 10 each fully paid up	2,000,000	200	2,000,000	200
	2,000,000	200	2,000,000	200

(a) Reconciliation of number of shares outstanding

Particulars	As at March 31, 2019		As at March 31, 2018	
	Numbers	Amount	Numbers	Amount
Equity shares outstanding at the beginning of the year	2,000,000	200	2,000,000	200
Issue of share capital	-	-	-	-
Equity shares outstanding at the end of the year	2,000,000	200	2,000,000	200

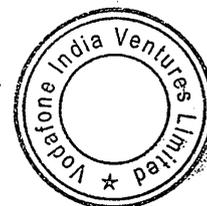
(b) Terms/ rights attached to issued, subscribed and paid up equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholders	As at March 31, 2019		As at March 31, 2018	
	Numbers	% holding in the class	Numbers	% holding in the class
Equity shares of ₹ 10 each fully paid				
Vodafone Idea Limited, the immediate holding company and its nominees (from August 31, 2018)	2,000,000	100%	-	-
Vodafone India Limited, the immediate holding company and its nominees (upto August 30, 2018)	-	-	2,000,000	100%

Note: Pursuant to amalgamation of Vodafone India Limited and Vodafone Mobile Services Limited with Vodafone Idea Limited as on August 31, 2018, the shareholding stands transferred to Vodafone Idea Limited.



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

Note 15

Other Equity

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Retained Earnings		
Opening balance	(52)	(12)
Profit/(Loss) for the year	679	(40)
Closing balance	627	(52)

Note 16

Long term provisions

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Gratuity (refer note 29)	50	-
Total	50	-

Note 17

Short term borrowings

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Unsecured Loans		
Loan from related parties (refer note 35)*	3,244	140
Total	3,244	140

* Unsecured loan from its holding company repayable on demand on which variable interest rate is 7.5% (March 31, 2018: 7.5%)

Note 18

Other current financial liabilities

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Payable for capital expenditure	11,726	9,591
Interest accrued but not due on borrowings	20	-
Total	11,746	9,591

Note 19

Other current liabilities

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Taxes and other liabilities	338	1
Total	338	1

Note 20

Short term provisions

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Compensated absences	14	-
Total	14	-

Note 21

Other operating income

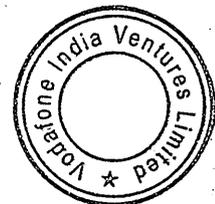
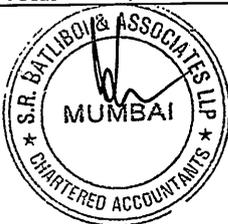
Particulars	For the year ended	For the year ended
	March 31, 2019	March 31, 2018
Miscellaneous receipts*	2	-
Total	2	-

* miscellaneous receipts includes scrap sales

Note 22

Other income

Particulars	For the year ended	For the year ended
	March 31, 2019	March 31, 2018
Interest income		
Unwinding of discount on security deposit	8	-
Others	489	-
Total	497	-



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

Note 23

Employee benefit expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	6,482	-
Contribution to provident and other funds (refer note 29)	325	-
Share based payment expenses (ESOS) (refer note 28)	6	-
Staff welfare	219	-
Total	7,032	-

Note 24

Other expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Repairs and maintenance		
Others	98	-
IT and business process outsourcing cost	452	-
Rent	533	-
Rates and taxes	47	36
Electricity	299	-
IT business	4,441	-
Printing and stationery	12	-
Communication expenses	39	-
Travelling and conveyance	46	-
Legal and professional charges	474	-
Audit fees	3	4
Housekeeping charges	119	-
Miscellaneous expenses	96	-
Total	6,659	40

Note 25

Finance costs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense on borrowings	308	-
Total	308	-

Note 26

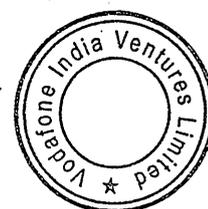
a. Capital Commitments

Estimated amount of commitments are as follows:

Contracts remaining to be executed for capital expenditure (net of advances) and not provided for are ₹ 45 lakhs (March 31, 2018: ₹ 1068 lakhs)

b. Contingent Liability

The recent Hon'ble Supreme Court Judgment on PF dated February 28, 2019 has led to numerous interpretative issues including a review petition. The Company is in the process of evaluating the said judgment and possible implications, if any. The understanding and interpretation currently is that the impact arising out the judgment is not material. Accordingly no impact has been given in these financial statements.



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

Note 27

Operating lease

Company as lessee

The Company has entered into leasing arrangement in respect of office premises taken on lease and license basis. Lease payments amounting to ₹ 533 lakhs (March 31, 2018 ₹ Nil) has been recognised in the Statement of Profit and Loss.

Note 28

Share based payments

Employee stock option plan – options granted by Vodafone Group Plc

Global Long Term Retention (“GLTR”):

GLTR plan is a restricted share plan granted as a retention tool to selected employees in the middle management. The options vest in 3 years / 2 years after the grant date provided the employees remain in the continued employment of the Group during the vesting period.

As at year ended March 31, 2019, details and movements of the outstanding options are as follows:

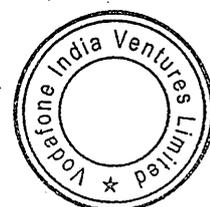
Particulars	As at March 31, 2019
	No. of Options
Options granted under GLTI / GLTR	
Options outstanding at the beginning of the year	-
Options granted during the year	18,040
Options lapsed during the year	-
Options exercised during the year	-
Options outstanding at the end of the year	18,040
Options exercisable at the end of the year	18,040
Weighted average remaining contractual life of the options outstanding at the end of the year (in months)	21

The exercise price is Nil and hence the weighed average exercise price is not disclosed. Liability at the end of financial year ended March 31, 2019 is ₹6.

Fair value of option is measured by deducting the present value of expected dividend cash flows over the life of the awards from the share price as at the grant date.

The fair value of each option is mentioned below:

Particulars	Grant date	Expected life	Market price on date of grant/re-pricing (₹)	Fair Value (₹)
GLTR	26/06/18	3 years / 2 years continuous employment for GLTR	166	166



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

Note 29

Employee Benefits

A. Defined Benefit Plan (Gratuity)

General description and benefits of the plan

The company operates a defined benefit final salary gratuity plan. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The benefit is payable on termination of service or retirement, whichever is earlier. The employees do not contribute towards this plan and the full cost of providing these benefits are borne by the Company.

Regulatory framework, funding arrangement and governance of the Plan

The gratuity benefits liabilities are unfunded. There are no minimum funding requirements for a gratuity benefits plan in India.

Inherent risks

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks. In particular, there is a risk for the Company that any significant change in salary growth or demographic experience that can result in an increase in cost of providing these benefits to employees in future.

The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for gratuity:

Sr.No	Particulars	As at March 31, 2019	As at March 31, 2018
1	Amount recognised in Balance Sheet		
	Present value of unfunded obligations	50	-
	Net Asset / (Liability) recognised in Balance Sheet	(50)	-
	Net Asset / (Liability) recognised in Balance Sheet is bifurcated as		
	- Long term provision	(50)	-

Amounts recognised in the statements of profit and loss in respect of these defined benefit plans are as follows:

Sr.No	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1	Expenses Recognised in the Statement of Profit & Loss		
	Current Service cost	50	-
	Interest on Net Defined Benefit liability	-	-
	Expenses recognised in the Statement of Profit & Loss	50	-
2	Amount recorded as Other Comprehensive Income (OCI)		
	Re measurement during the year due to		
	- Changes in financial assumptions	-	-
	- Changes in demographic assumptions	-	-
	- Experience adjustments	-	-
	Amount recognised in OCI	-	-



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

The principal assumptions used in determining gratuity obligations are shown below:

Particular	As at March 31, 2019
Discount rate	7.50%
Future salary increases*	8.00%
Attrition rate	30 years & below - 30% 31-40 years - 15% 41-50 years - 8% 51 years & above - 8%
Mortality rate during employment	As per Indian Assured Lives Mortality (2006-08) Ult Table
Disability	Leaving service due to disability is included in the provision made for all causes of leaving service.

*The estimates of future salary increase considered takes into account inflation, seniority, promotion and other relevant factors.

A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation is as below:

Particulars	For the year ended March 31, 2019	
	Discount Rate	Salary escalation Rate
Impact of increase in 50 bps on DBO	-5.11%	4.91%
Impact of decrease in 50 bps on DBO	5.50%	-4.66%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year.

Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

Particulars	As at March 31, 2019	As at March 31, 2018
Expected benefits for year 1 *	-	-
Expected benefits for year 2 *	-	-
Expected benefits for year 3 *	-	-
Expected benefits for year 4 *	-	-
Expected benefits for year 5 and above	124	-

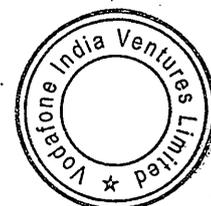
The weighted average duration of the defined benefit plan obligation at the end of the reporting year is 7.72 years.

*Numbers below one lakhs under the rounding off convention adopted by the Company and accordingly not reported.

B. Defined contribution plans:

During the year, the Company has recognised the following amounts in the statement of profit and loss:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employers' contribution to provident and other fund	286	-



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

Note 30

Auditor's Remuneration

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Statutory Audit Fees	3	4
Total Remuneration	3	4

Note 31

Details of Foreign Currency Exposures

Not hedged by a derivative instrument or otherwise

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Payables and Other Current Financial Liabilities		
In Euro	134	107
Equivalent INR of Trade Payables and Other Current Financial Liabilities in Foreign Currency*	10,445	8,611

*Amount in INR represents conversion at closing rate

Note 32

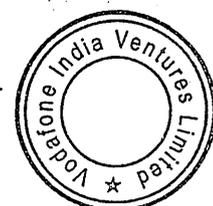
Income Tax Expenses

(a) Major components of tax expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Tax		
Current Tax on profits for the period	298	-
Total Current Tax Expense (A)	298	-
Deferred Tax		
Relating to addition & reversal of temporary differences	402	-
Total Deferred Tax Expense (B)	402	-
Total Tax Expense (A+B)	700	-
Income tax effect of re-measurement (gains)/losses on defined benefit plans taken to other comprehensive income / (loss)	-	-

(b) Reconciliation of average effective tax rate and applicable tax rate

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Loss before income tax expense	1,379	(40)
Applicable Tax Rate	29.12%	25.75%
Effects of expenses that are not deductible in determining the taxable profits	-0.04%	-25.75%
Effect of different tax rate	21.62%	0.00%
Effective Tax Rate	50.70%	0.00%



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

Note 33

Movement in Deferred Tax

Particulars	As at April 1, 2018	Recognised in Profit and Loss	As at March 31, 2019
Liabilities			
Depreciation & Amortisation	-	964	964
Effects of remeasuring financial instruments under IndAS	-	145	145
Total (A)	-	1,109	1,109
Assets			
Tax Losses	-	688	688
Expenses allowable on Payment Basis	-	19	19
Total (B)	-	707	707
Net Deferred Tax Liabilities/ (assets) (A-B)	-	402	402
As per Financials:			402
Deferred Tax Asset	-	-	707
Deferred Tax Liabilities	-	402	1,109

Note 34

Basic & Diluted Earnings per Share

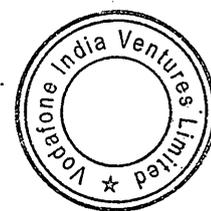
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Nominal value of per equity share	10/-	10/-
Profit / (Loss) after Tax	679	(40)
Profit / (Loss) attributable to equity shareholders	679	(40)
Weighted average number of equity shares outstanding during the year	2,000,000	2,000,000
Basic and Diluted Earnings / (Loss) Per Share	33.95	(2.00)

Note 35

Related party transactions

The Company has transactions with the below related parties:

Relationship	Related Party
Holding Company	Vodafone Idea Limited (From Aug 31, 2018)
Fellow Subsidiary	Mobile Commerce Solutions Limited
	Vodafone Business Services Limited
	Vodafone Group Services Limited
	Vodafone Mobile Services Limited (Till Aug 30, 2018)
	Vodafone m-pesa Limited
	You Broadband India Limited
	Vodafone Global Enterprise Limited
Ultimate Holding Company	Vodafone Group PLC (Till Aug 30, 2018)
Intermediate Holding Company	Vodafone International holdings B.V. (Till Aug 30, 2018)
	CGP India Investments Limited (Till Aug 30, 2018)
Immediate Holding Company	Vodafone India Limited (Till Aug 30, 2018)



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

A. Transactions with Related Parties for the year ended March 31, 2019 and March 31, 2018

Particulars	Fellow Subsidiaries	Immediate Holding Company	Holding Company
Sale of Services	6,776	1,269	10,459
Interest on Inter Corporate Deposit (ICD)	-	74	234
Expense incurred on behalf of	6	67	714
Expense incurred on company's behalf by	428	64	252
ICD Taken	-	4,654	3,250
ICD repaid	-	(140)	-
Purchase of Fixed Assets	4,951	-	-
	(8,660)	-	-

(Figures in bracket are for the year ended March 31, 2018)

*Numbers are below one lakhs under the rounding off convention adopted by the Company and accordingly not reported.

B. Balances with Related Parties

Particulars	Fellow Subsidiaries	Immediate Holding Company	Holding Company
Trade and other receivable	648	-	271
Trade and other payables	10,299	-	912
	(8,660)	-	-
Interest payable	-	-*	20
Outstanding loan payable	-	-	3,244
	-	(140)	-

(Figures in bracket are as on March 31, 2018)

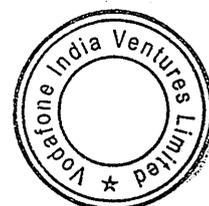
*Numbers are below one lakhs under the rounding off convention adopted by the Company and accordingly not reported.

Note 36

As the Company operates in only one business segment and its entire services are in Indian Territory, there is no separate reportable segment as per Ind AS – 108 on "Operating segment".

Note 37

Profit before tax includes net amount of ₹ 33.5 Lakhs pertaining to previous period.



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

Note 38

Financial instruments

a) Financial Instruments by Category:

The following table provides categorisation of all financial instruments at carrying value –

Particulars	As at March 31, 2019		As at March 31, 2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Cash and cash equivalents	-	804	-	48
Trade receivables	-	928	-	-
Deposit with Body Corporates and Others	-	211	-	106
Total Financial Assets	-	1,943	-	154
Financial Liabilities				
Short term borrowings including Interest accrued but not due	-	3,264	-	140
Trade Payables	-	2,357	-	54
Payables for Capital Expenditure	-	11,726	-	9,591
Total Financial Liabilities	-	17,347	-	9,785

b) Fair Value Hierarchy

The carrying amounts of the financial assets and financial liabilities are reasonable approximation of their fair values. Accordingly, the fair values of such financial assets and financial liabilities have not been disclosed separately.

Note 39

Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, trade and other payables. The Company's principal financial assets comprise bank balance, trade receivables and deposit with body corporates and others.

The Company is exposed to various financial risks such as market risk, credit risk and liquidity risk. The Holding company's senior management comprising of a team of qualified finance professionals with appropriate skills and experience oversees management of these risks and provides assurance to the management that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The risks and measures to mitigate such risks is reviewed by the committee of Board of Directors periodically.

a) Market risk

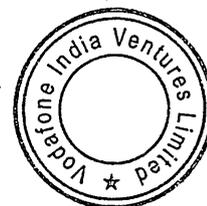
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include borrowings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

Particulars	Increase/decrease in basis points	Effect on profit before tax
March 31, 2019		
INR - Borrowings	+100	(32)
	-100	32
March 31, 2018		
INR - Borrowings	+100	(1)
	-100	1

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

b) 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 exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company's foreign currency risks are identified, measured and managed at periodic intervals in accordance with the Company's policies.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency rates, with all other variables held constant. The impact on the Company's profit / (loss) before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

Currency exposure	Change in currency exchange rate	Effect on profit before tax
March 31, 2019		
Euro	2%	209
	-2%	(209)
March 31, 2018		
Euro	2%	172
	-2%	(172)

c) Credit risk

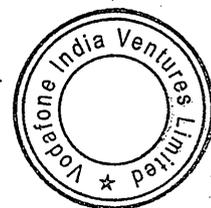
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, and other financial instrument.

- Trade receivable

The Company provides its services to the Group Companies and trade receivable are generally on 15 to 30 day credit terms. The Company does not have credit risk.

- Other financial assets and cash deposits

Credit risk from balances with banks is managed by the holding company's treasury department. The Company maintains its Cash and cash equivalents with banks and financial institutions having good reputation, good past record and high quality credit rating and reviews their credit worthiness on an on-going basis in close co-ordination with its holding company's Treasury team.



Vodafone India Ventures Limited

Financial Statements for the year ended March 31, 2019

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Notes to Financial Statements

The Company's maximum exposure to credit risk for the components of the balance sheet as at March 31, 2019 and March 31, 2018 on its carrying amounts as disclosed in notes 9 and 12.

d) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company has necessary support from VIL to maintain adequate liquidity (through ICD or loans) for settling its liabilities as and when they arise.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Carrying Value	Less than 1 year	1 to 5 years	Total payments
As at March 31, 2019				
Borrowings and Interest thereon*	3,264	3,264	-	3,264
Trade and other payables [#]	14,085	14,085	-	14,085
	17,349	17,349	-	17,349
As at March 31, 2018				
Borrowings and Interest thereon*	140	140	-	140
Trade and other payables [#]	9,645	9,645	-	9,645
	9,785	9,785	-	9,785

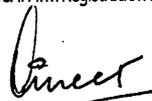
*Interest accrued but not due of ₹ 20 lakhs (March 31, 2018: Nil) has been excluded from other financial liabilities and included in borrowings and interest thereon.

[#]Payable for capex expenditure of ₹ 11,726 lakhs (March 31, 2018: ₹ 9591 lakhs) has been excluded from other financial liabilities and included in trade and other payables.

Note 40

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

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


Vineet Kedia
Partner
Membership No.: 212230

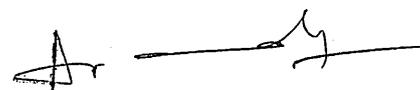


Place: Mumbai
Date: April 30, 2019

For and on behalf of the Board of Directors of
Vodafone India Ventures Limited


Venkatesh Viswanathan
Director
(DIN: 03122706)

Place: Mumbai
Date: April 30, 2019



Ambrish Jain
Director
(DIN: 07068438)

