Vodafone India Digital Limited
Financial Statements
For the year ended March 31, 2019
INDEPENDENT AUDITOR'S REPORT
To the Members of Vodafone India Digital Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Vodafone India Digital 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 loss including other comprehensive loss, 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.
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.

- 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, 2019, 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;

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

Re: Vodafone India Digital Limited (the ‘Company’)

(i) The Company does not have any fixed assets and hence reporting under clause 3(i) of the Order is not applicable.

(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 income tax, goods and service tax, cess and other material statutory dues have been regularly deposited with the appropriate authorities. The provisions relating to provident fund, employee’s state insurance, sales tax, value added tax, duty of excise and duty of custom are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, good and service tax, 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.

(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, the provisions of section 177 and 188 are not applicable to the Company and accordingly reporting under clause 3(xiii) of the Order 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
Annexure 2 to the Independent Auditor’s report of even date on the Ind AS Financial Statements of Vodafone India Digital 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 Digital 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
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 Digital Limited

Financial Statements for the year ended March 31, 2019
(All amounts are in INR thousands, except per share data and unless stated otherwise)

Balance Sheet as at March 31, 2019

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Notes</th>
<th>As at March 31, 2019</th>
<th>As at March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other non-current financial assets</td>
<td>7</td>
<td>20</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total non-current assets (A)</strong></td>
<td></td>
<td>20</td>
<td>-</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>8</td>
<td>3,470</td>
<td>4,995</td>
</tr>
<tr>
<td><strong>Total current assets (B)</strong></td>
<td></td>
<td>3,470</td>
<td>4,995</td>
</tr>
<tr>
<td><strong>Total Assets (A+B)</strong></td>
<td></td>
<td>3,490</td>
<td>4,995</td>
</tr>
<tr>
<td><strong>Equity and Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity share capital</td>
<td>9</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Other equity</td>
<td>10</td>
<td>(1,702)</td>
<td>(1,118)</td>
</tr>
<tr>
<td><strong>Total equity (A)</strong></td>
<td></td>
<td>3,298</td>
<td>3,882</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade payables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total outstanding dues of micro enterprises and small enterprises</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total outstanding dues of creditors other than micro enterprises and small enterprises</td>
<td>185</td>
<td>1,113</td>
<td>1,113</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>11</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total current liabilities (B)</strong></td>
<td></td>
<td>192</td>
<td>1,113</td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities (A+B)</strong></td>
<td></td>
<td>3,490</td>
<td>4,995</td>
</tr>
</tbody>
</table>

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 Digital Limited

Kavita Nair
Director
(DIN 07771200)

Ambrish Jain
Director
(DIN 07068438)

Place: Mumbai
Date: 30-04-2019
## Vodafone India Digital Limited

**Financial Statements for the year ended March 31, 2019**

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

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Notes</th>
<th>For the year ended March 31, 2019</th>
<th>For the period March 28, 2017 to March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Expenditure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other expenses</td>
<td>12</td>
<td>584</td>
<td>1,113</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>584</td>
<td>1,113</td>
</tr>
<tr>
<td>Loss before tax</td>
<td>(584)</td>
<td></td>
<td>(1,113)</td>
</tr>
<tr>
<td>Tax expense:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Current tax</td>
<td>14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Deferred tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss after tax</td>
<td>(584)</td>
<td></td>
<td>(1,113)</td>
</tr>
<tr>
<td>Other comprehensive loss for the year/period, net of tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total comprehensive loss for the year/period</td>
<td>(584)</td>
<td></td>
<td>(1,113)</td>
</tr>
<tr>
<td>Loss per equity share of ₹ 10 each:</td>
<td>15</td>
<td>(1.17)</td>
<td>(2.23)</td>
</tr>
<tr>
<td>Basic (₹)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diluted (₹)</td>
<td></td>
<td>(1.17)</td>
<td>(2.23)</td>
</tr>
</tbody>
</table>

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: Apr 30, 2019

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

Kavita Naïr
Director
(DIN 07771200)

Ambrish Jain
Director
(DIN 07068438)

Place: Mumbai
Date: 30-04-2019
Vodafone India Digital Limited  
Financial Statements for the year ended March 31, 2019  
(All amounts are in INR thousands, except per share data and unless stated otherwise)

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

A. EQUITY SHARE CAPITAL:

<table>
<thead>
<tr>
<th>Description</th>
<th>Numbers</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Issue of share capital (refer note 9)</td>
<td>500,000</td>
<td>5,000</td>
</tr>
<tr>
<td>As at March 31, 2018</td>
<td>500,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Issue of share capital</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>As at March 31, 2019</td>
<td>500,000</td>
<td>5,000</td>
</tr>
</tbody>
</table>

B. OTHER EQUITY

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Reserves and surplus</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Retained earnings</td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loss for the period</td>
<td>(1,113)</td>
<td>(1,113)</td>
</tr>
<tr>
<td>Total comprehensive loss</td>
<td>(1,113)</td>
<td></td>
</tr>
<tr>
<td>Share Issue expenses</td>
<td>(5)</td>
<td>(5)</td>
</tr>
<tr>
<td>As at March 31, 2018</td>
<td>(1,118)</td>
<td>(1,118)</td>
</tr>
<tr>
<td>Loss for the year ended March 31, 2019</td>
<td>(584)</td>
<td>(584)</td>
</tr>
<tr>
<td>Total comprehensive loss</td>
<td>(584)</td>
<td></td>
</tr>
<tr>
<td>As at March 31, 2019</td>
<td>(1,702)</td>
<td>(1,702)</td>
</tr>
</tbody>
</table>

As per our report of even date  
For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No: 101049/W/E300004

Vineet Kedia  
Partner  
Membership No: 212230

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

Kavita Nair  
Director  
(DIN: 07771200)

Ambrish Jain  
Director  
(DIN: 07068438)

Place: Mumbai  
Date: 30-04-2019
Vodafone India Digital Limited
Financial Statements for the year ended March 31, 2019
(All amounts are in INR thousands, except per share data and unless stated otherwise)

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended March 31, 2019</th>
<th>For the period March 28, 2017 to March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss before tax</td>
<td>(584)</td>
<td>(1,113)</td>
</tr>
<tr>
<td>Adjustments for changes in working capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) in other financial and non-financial assets</td>
<td>(20)</td>
<td>-</td>
</tr>
<tr>
<td>Decrease)/Increase in trade payables</td>
<td>(928)</td>
<td>1,113</td>
</tr>
<tr>
<td>Increase in other financial and non-financial liabilities</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td>(1,525)</td>
<td>-</td>
</tr>
<tr>
<td>Financing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from issue of shares</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td>Share issue expenses</td>
<td>-</td>
<td>(5)</td>
</tr>
<tr>
<td>Net cash flows from financing activities</td>
<td>-</td>
<td>4,995</td>
</tr>
<tr>
<td>Net (decrease)/increase in cash and cash equivalents during the year/period</td>
<td>(1,525)</td>
<td>4,995</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the year/period</td>
<td>4,995</td>
<td>-</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the year/period</td>
<td>3,470</td>
<td>4,995</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Particular</th>
<th>For the year ended March 31, 2019</th>
<th>For the period March 28, 2017 to March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances with banks in current accounts</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,470</td>
<td>4,995</td>
</tr>
<tr>
<td></td>
<td>3,470</td>
<td>4,995</td>
</tr>
</tbody>
</table>

2. The above Statement of Cash Flows 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 Digital Limited

Kavita Nair
Director (DIN: 07771200)

Ambrish Jain
Director (DIN: 07068438)

Place: Mumbai
Date: 30-04-2019
Vodafone India Digital Limited
Financial Statements for the year ended March 31, 2019
(All amounts are in INR thousands, except per share data and unless stated otherwise)
Notes to Financial Statements

1. Corporate Information

Vodafone India Digital Limited (herein referred to as "VIDL" or "the Company"), a wholly owned subsidiary of Vodafone Idea Limited ("holding company") was incorporated on March 28, 2017 under the provisions of the Companies Act applicable in India. The Company is domiciled in India. The Company has received necessary approval for change of its registered office and new registered office of the Company is situated at Vodafone House, Corporate Road, Prahlad Nagar, Off. S. G. Highway, Ahmedabad 380051, India with effect from February 21, 2019. Upto February 20, 2019 the Company's registered office was situated at Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013, India.

The Company was incorporated with an objective to provide information technology and related software and other related services. The Company is yet to start the operations.

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. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services on the transaction date. The Company is yet to commence operations. The Company has sufficient funds to meet its obligations over next 12 months. However, the Company is in the process of exploring various options and has necessary support from the holding company. Accordingly, the financial statements are prepared on a going concern basis.

All financial information presented in INR has been rounded off to thousands 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.

4. Significant Accounting Policies

a) Functional and presentation currency

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

b) 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.
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 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 substantially 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.

c) 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.

d) 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.

e) 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.
Vodafone India Digital Limited
Financial Statements for the year ended March 31, 2019
(All amounts are in INR thousands, except per share data and unless stated otherwise)
Notes to Financial Statements

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.

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.

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.
Vodafone India Digital Limited
Financial Statements for the year ended March 31, 2019
(All amounts are in INR thousands, except per share data and unless stated otherwise)
Notes to Financial Statements

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.

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.

f) 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.

g) 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.
Vodafone India Digital Limited
Financial Statements for the year ended March 31, 2019
(All amounts are in INR thousands, except per share data and unless stated otherwise)
Notes to Financial Statements

h) 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.

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.

There are no critical estimates and judgements in the Company as at March 31, 2019 and March 31, 2018.

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

a. Ind AS 116- Leases

Standard 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 does not have any operating lease therefore there will not be any impact due to the change.

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 amounet 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—

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 amendment has no impact 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 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.

The amendment has no impact on the financial statements.
Vodafone India Digital Limited
Financial Statements for the year ended March 31, 2019
(All amounts are in INR thousands, except per share data and unless stated otherwise)
Notes to Financial Statements

Note 7
Other non-current financial assets

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at March 31, 2019</th>
<th>As at March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits with body corporate and others</td>
<td>20</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>-</td>
</tr>
</tbody>
</table>

Note 8
Cash and cash equivalents

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at March 31, 2019</th>
<th>As at March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances with banks-in current accounts</td>
<td>3,470</td>
<td>4,995</td>
</tr>
<tr>
<td>Total</td>
<td>3,470</td>
<td>4,995</td>
</tr>
</tbody>
</table>

Note 9
Equity Share Capital

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at March 31, 2019</th>
<th>As at March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Numbers</td>
<td>Amount</td>
</tr>
<tr>
<td>EQUITY SHARE CAPITAL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorised share capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity Shares of ₹ 10 each</td>
<td>5,000,000</td>
<td>50,000</td>
</tr>
<tr>
<td></td>
<td>5,000,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Issued, subscribed and paid-up share capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity Shares of ₹ 10 each fully paid up</td>
<td>500,000</td>
<td>5,000</td>
</tr>
<tr>
<td></td>
<td>500,000</td>
<td>5,000</td>
</tr>
</tbody>
</table>

a) Reconciliation of number of shares outstanding

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at March 31, 2019</th>
<th>As at March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Numbers</td>
<td>Amount</td>
</tr>
<tr>
<td>Equity shares outstanding at the beginning of the year/period</td>
<td>500,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Issue of share capital</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity shares outstanding at the end of the year/period</td>
<td>500,000</td>
<td>5,000</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Name of the shareholders</th>
<th>As at March 31, 2019</th>
<th>As at March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Numbers</td>
<td>% holding in the class</td>
</tr>
<tr>
<td>Equity shares of ₹ 10 each fully paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vodafone Idea Limited (VIL), the immediate holding company and its nominees (from August 31, 2018)*</td>
<td>500,000</td>
<td>100%</td>
</tr>
<tr>
<td>Vodafone India Limited, the immediate holding company and its nominees (upto August 30, 2018)*</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Pursuant to amalgamation of Vodafone India Limited and Vodafone Mobile Services Limited with the Vodafone Idea Limited from August 31, 2018, the shareholding stands transferred to Vodafone Idea Limited.
Vodafone India Digital Limited
Financial Statements for the year ended March 31, 2019
(All amounts are in INR thousands, except per share data and unless stated otherwise)
Notes to Financial Statements

### Note 10
Other Equity

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at March 31, 2019</th>
<th>As at March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained Earnings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>(1,118)</td>
<td>-</td>
</tr>
<tr>
<td>Net loss for the year/period</td>
<td>(584)</td>
<td>(1,113)</td>
</tr>
<tr>
<td>Share issue expenses</td>
<td>-</td>
<td>(5)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>(1,702)</td>
<td>(1,118)</td>
</tr>
</tbody>
</table>

### Note 11
Other current liabilities

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at March 31, 2019</th>
<th>As at March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes and other liabilities</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>7</td>
<td>-</td>
</tr>
</tbody>
</table>

### Note 12
Other expenses

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended March 31, 2019</th>
<th>For the period March 28, 2017 to March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rates and taxes*</td>
<td>31</td>
<td>608</td>
</tr>
<tr>
<td>Legal and professional charges*</td>
<td>453</td>
<td>65</td>
</tr>
<tr>
<td>Audit Fees (refer note 13)</td>
<td>100</td>
<td>440</td>
</tr>
<tr>
<td>Total</td>
<td>584</td>
<td>1,113</td>
</tr>
</tbody>
</table>

*During the period ended March 31, 2018, these expenses were paid by immediate holding company on behalf of the Company (refer note 16).

### Note 13
Auditor’s Remuneration

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended March 31, 2019</th>
<th>For the period March 28, 2017 to March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory audit fees</td>
<td>100</td>
<td>440</td>
</tr>
<tr>
<td>Total Remuneration</td>
<td>100</td>
<td>440</td>
</tr>
</tbody>
</table>

### Note 14
Income Tax Expenses

Reconciliation of average effective tax rate and applicable tax rate:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended March 31, 2019</th>
<th>For the period March 28, 2017 to March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss before Income tax expense</td>
<td>(584)</td>
<td>(1,113)</td>
</tr>
<tr>
<td>Applicable Tax Rate</td>
<td>26.00%</td>
<td>25.75%</td>
</tr>
<tr>
<td>Increase/ reduction in taxes on account of:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effects of expenses that are not deductible/considered in determining the taxable profits (net)</td>
<td>-26.00%</td>
<td>-25.75%</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>
Vodafone India Digital Limited
Financial Statements for the year ended March 31, 2019
(All amounts are in INR thousands, except per share data and unless stated otherwise)
Notes to Financial Statements

Note 15
Basic & Diluted Earnings/(Loss) per Share

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended March 31, 2019</th>
<th>For the period March 28, 2017 to March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal value of equity shares (₹)</td>
<td>10/-</td>
<td>10/-</td>
</tr>
<tr>
<td>Loss after Tax (₹ '000)</td>
<td>(584)</td>
<td>(1,113)</td>
</tr>
<tr>
<td>Loss attributable to equity shareholders (₹ '000)</td>
<td>(584)</td>
<td>(1,113)</td>
</tr>
<tr>
<td>Weighted average number of equity shares outstanding during the year/period</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Basic and Diluted Earnings/(Loss) Per Share (₹)</td>
<td>(1.17)</td>
<td>(2.23)</td>
</tr>
</tbody>
</table>

Note 16
Related party transactions

The Company has transactions with the below related parties:

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Related Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holding company</td>
<td>Vodafone Idea Limited (From August 31, 2018)</td>
</tr>
<tr>
<td>Ultimate Holding Company</td>
<td>Vodafone Group PLC (Till August 30, 2018)</td>
</tr>
<tr>
<td>Intermediate Holding Company</td>
<td>Vodafone International Holdings B.V. (Till August 30, 2018)</td>
</tr>
<tr>
<td>Immediate holding company</td>
<td>CGP India Investments Limited (Till August 30, 2018)</td>
</tr>
<tr>
<td></td>
<td>Vodafone India Limited (Till August 30, 2018)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Immediate Holding Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription of share capital</td>
<td>(5,000)</td>
</tr>
<tr>
<td>Reimbursement of expenses</td>
<td>(673)</td>
</tr>
</tbody>
</table>

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

B. Balances with Related Parties

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Immediate Holding Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other payables</td>
<td>(673)</td>
</tr>
</tbody>
</table>

(Figures in bracket are as on March 31, 2018)
Vodafone India Digital Limited
Financial Statements for the year ended March 31, 2019
(All amounts are in INR thousands, except per share data and unless stated otherwise)
Notes to Financial Statements

Note 17
Financial Instruments

(a) Financial Instruments by Category: The following table provides categorisation of all financial instruments at carrying value -

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at March 31, 2019</th>
<th>As at March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amortised Cost</td>
<td>Amortised Cost</td>
</tr>
<tr>
<td><strong>Financial Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>3,470</td>
<td>4,995</td>
</tr>
<tr>
<td>Deposits with body corporate and others</td>
<td>20</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Financial Assets</strong></td>
<td>3,490</td>
<td>4,995</td>
</tr>
<tr>
<td><strong>Financial Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade payables</td>
<td>185</td>
<td>1,113</td>
</tr>
<tr>
<td><strong>Total Financial Liabilities</strong></td>
<td>185</td>
<td>1,113</td>
</tr>
</tbody>
</table>

(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 18
Financial risk management objectives and policies

The Company’s principal financial liabilities comprise trade payables. The Company’s principal financial assets comprise bank balance and deposits with body corporate and others.

The Company is exposed to various financial risks such as market risk, credit risk and liquidity risk. The Directors of the Company oversees management of these risks and assure that financial risks are identified, measured and managed in accordance with the Company’s policies and risk objectives.

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. The Company does not have market risks.

b) 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 financing activities.

- Other financial assets and cash deposits
Credit risk from balances with banks is managed by the Directors of the Company.

The Company maintains its Cash and cash equivalents with banks and financial institutions having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis in close coordination with its holding company’s Treasury team.

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 7 and 8.
Vodafone India Digital Limited
Financial Statements for the year ended March 31, 2019
(All amounts are in INR thousands, except per share data and unless stated otherwise)
Notes to Financial Statements

c) 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 holding company to maintain adequate liquidity (through loans) for settling its liabilities as and when they arise.

Note 19
Previous period figures have been regrouped / rearranged wherever necessary to conform to the current year grouping.

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

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

Kavita Nair
Director
(DIN07771200)

Ambrish Jain
Director
(DIN07068438)

Place: Mumbai
Date: 30-04-2019