

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Connect (India) Mobile Technologies Private Limited

Report on the Audit of the Ind AS Financial Statements

**Opinion**

We have audited the accompanying Ind AS financial statements of Ind AS financial statements of Connect (India) Mobile Technologies Private Limited ("the Company") which comprise the Balance sheet as at March 31 2021, 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 Ind AS 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 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, 2021, 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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 with reference to financial statements 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.

## Report on Other Legal and Regulatory Requirements

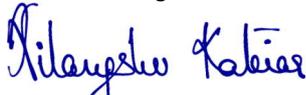
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

- (f) With respect to the adequacy of the internal financial controls 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) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (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 has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 19 to the Ind AS financial statements;
  - 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 Nilangshu Katriar  
Partner

Membership Number: 58814  
UDIN: 21058814AAAABG1879

Place: Mumbai  
Date: June 28, 2021

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

Re: Connect (India) Mobile Technologies Private Limited (the 'Company')

- (i) The Company does not have any fixed assets and accordingly the requirements under clause 3(i) (a), (b) and (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 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 products / services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to provident fund, employee's state insurance, sales tax, service tax, duty of custom, duty of excise and value added tax 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, duty of custom, cess and other 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 goods and service tax and cess which have not been deposited on account of any dispute. The particulars of value added tax and sales tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows -

Name of statute	Nature of Dues	Amount (Rs. In thousands)	Period to which the Amount relates	Forum where the dispute is pending
Income Tax Act	Income Tax	1,342	2003-04	Commissioner of Income Tax Appeals
The Central Sales Tax Act, 1956	Central Sales Tax	71	2009-10 & 2012-13	Commercial Tax officer
The Central Sales Tax Act, 1956	Central Sales Tax	133	2011-12	Excise and taxation cum assessing authority (Appeals)

Name of statute	Nature of Dues	Amount (Rs. In thousands)	Period to which the Amount relates	Forum where the dispute is pending
The Central Sales Tax Act, 1956	Central Sales Tax	2,304	2008-09, 2010-11 & 2012-13	Amnesty scheme-Settlement officer
The Central Sales Tax Act, 1956	Central Sales Tax	499	2009-10	Commercial Tax officer
The Central Sales Tax Act, 1956	Central Sales Tax	2,262	2010-11	Commissioner of Commercial Tax Appeals
The Central Sales Tax Act, 1956	Central Sales Tax	131	2011-12	Deputy Commissioner of Commercial Tax (Appeals)
The Central Sales Tax Act, 1956	Central Sales Tax	4,295	2008-09	Appellate Tribunal, Gujrat
Delhi Value Added Tax Act, 2004	Value Added Tax Act	9,130	2007-08	Assessing Officer
Haryana Value Added Tax Act, 2002	Value Added Tax Act	14	2011-12	Excise and taxation cum assessing authority (Appeals)
Kerala Value Added Tax Act, 2003	Value Added Tax Act	156	2013-14	Commercial Tax Officer, Revenue Recovery
Kerala Value Added Tax Act, 2003	Value Added Tax Act	2,402	2012-13	Deputy Commissioner of Commercial Tax (Appeals)
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax Act	49	2011-12	Deputy Commissioner of Commercial Tax
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax Act	1,273	2008-09	Joint Commissioner of Sales Tax
West Bengal Value Added Tax, 2003	Value Added Tax Act	34,287	2007-08 & 2009-12	Amnesty scheme-Settlement officer
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax Act	1,461	2009-12	Commercial Tax officer
Rajasthan Value Added Tax, 2006	Value Added Tax Act	1	2013-14	Assistant Commissioner
Karnataka Value Added Tax Act, 2003	Value Added Tax Act	420	2011-12	Joint Commissioner of Commercial Taxes

Of the above cases, total amount deposited in respect of Sales Tax and Value Added Tax is Rs. 4,674 (In thousands).

- (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.

# **S.R. BATLIBOI & ASSOCIATES LLP**

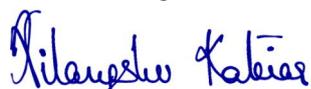
Chartered Accountants

- (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 managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (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, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (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 Nilangshu Katriar

Partner

Membership Number: 58814

UDIN: 21058814AAAABG1879

Place: Mumbai

Date: June 28, 2021

Annexure 2 to the Independent Auditor's report of even date on the Ind AS Financial Statements of Re: Connect (India) Mobile Technologies Private Limited (the 'Company')

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 Connect (India) Mobile Technologies Private Limited (the 'Company') as of March 31, 2021 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2021, 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 Nilangshu Katriar  
Partner

Membership Number: 58814  
UDIN: 21058814AAAABG1879

Place: Mumbai  
Date: June 28, 2021

**CONNECT (India) MOBILE TECHNOLOGIES PRIVATE LIMITED**

**Financial Statements**

**For the year ended March 31, 2021**

# Connect (India) Mobile Technologies Private Limited

Financial Statements for the year ended March 31, 2021

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

## Balance Sheet as at March 31, 2021

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Financial assets			
Other non-current financial assets	6	2,450	4,240
Other non-current assets	7	17,622	17,625
<b>Total non-current assets (A)</b>		<b>20,072</b>	<b>21,865</b>
<b>Current assets</b>			
Financial assets			
Cash and cash equivalents	8	198,400	221,929
Bank balance other than cash and cash equivalents	9	23,735	982
Other current financial assets	10	587	403
Other current assets	11	1,379	1,217
<b>Total current assets (B)</b>		<b>224,101</b>	<b>224,531</b>
<b>Total Assets (A+B)</b>		<b>244,173</b>	<b>246,396</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	12	1,499,100	1,499,100
Other equity	13	(1,259,063)	(1,259,047)
<b>Total equity (C)</b>		<b>240,037</b>	<b>240,053</b>
<b>Current liabilities</b>			
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			
		3,356	5,563
Other current liabilities	14	19	19
Short term provisions	15	761	761
<b>Total current liabilities (D)</b>		<b>4,136</b>	<b>6,343</b>
<b>Total Equity and Liabilities (C+D)</b>		<b>244,173</b>	<b>246,396</b>

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

*Nilangshu Katriar*

Nilangshu Katriar

Partner

Membership No.: 58814



Place: Mumbai

Date: June 28, 2021

For and on behalf of the Board of Directors of Connect (India)

*Avneesh Khosla*

Avneesh Khosla

Managing Director

(DIN: 07775577)

*Manoj Tibrewala*

Manoj Tibrewala

Chief Financial Officer

Place: Mumbai

Date: June 28, 2021

*Venkatesh Vishwanathan*

Venkatesh Vishwanathan

Director

(DIN: 03122706)

*Hari Gopalakrishnen*

Hari Gopalakrishnen

Company Secretary



# Connect (India) Mobile Technologies Private Limited

Financial Statements for the year ended March 31, 2021

(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, 2021

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>			
Liabilities / provisions no longer required written back		-	260
<b>Revenue from operations</b>		-	<b>260</b>
Other income	16	6,646	11,503
<b>Total income</b>		<b>6,646</b>	<b>11,763</b>
<b>Operating Expenditure</b>			
Other expenses	17	4,816	16,129
		<b>4,816</b>	<b>16,129</b>
<b>Profit / (Loss) before finance costs &amp; tax</b>		<b>1,830</b>	<b>(4,366)</b>
Finance costs	18	3	5,910
<b>Profit / (Loss) before tax</b>		<b>1,827</b>	<b>(10,276)</b>
Tax expense:			
- Current tax	23	1,843	1,853
- Deferred tax	23	-	-
<b>Profit / (Loss) after tax</b>		<b>(16)</b>	<b>(12,129)</b>
<b>Other comprehensive Income / (Loss) for the year, net of tax</b>		-	-
<b>Total comprehensive Income / (Loss) for the year</b>		<b>(16)</b>	<b>(12,129)</b>
<b>Earnings / (Loss) per equity share of ₹ 10 each:</b>			
Basic (₹)	24	(0.00)	(0.08)
Diluted (₹)	24	(0.00)	(0.08)

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

  
Nilangshu Katriar

Partner

Membership No.: 58814



Place: Mumbai

Date: June 28, 2021

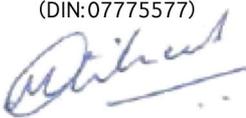
**For and on behalf of the Board of Directors of  
Connect (India) Mobile Technologies Private**



Avneesh Khosla

Managing Director

(DIN: 07775577)



Manoj Tibrewala

Chief Financial Officer

Place: Mumbai

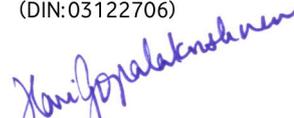
Date: June 28, 2021



Venkatesh Vishwanathan

Director

(DIN: 03122706)



Hari Gopalakrishnen

Company Secretary



# Connect (India) Mobile Technologies Private Limited

Financial Statements for the year ended March 31, 2021

(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, 2021

### A. Equity Share Capital:

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

	Numbers	Amount
<b>As at April 1, 2019</b>	<b>149,910,000</b>	<b>1,499,100</b>
Issue of share capital	-	-
<b>As at March 31, 2020</b>	<b>149,910,000</b>	<b>1,499,100</b>
Issue of share capital	-	-
<b>As at March 31, 2021</b>	<b>149,910,000</b>	<b>1,499,100</b>

### B. Other Equity

Particulars	Retained earnings
<b>As at April 1, 2019</b>	<b>(1,246,918)</b>
Profit/(Loss) for the year	(12,129)
<b>As at March 31, 2020</b>	<b>(1,259,047)</b>
Profit/(Loss) for the year	(16)
<b>As at March 31, 2021</b>	<b>(1,259,063)</b>

As per our report of even date

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004



**Nilangshu Katriar**

Partner

Membership No.: 58814



Place: Mumbai

Date: June 28, 2021

For and on behalf of the Board of Directors of Connect (India)  
Mobile Technologies Private Limited



**Avneesh Khosla**

Managing Director

(DIN: 07775577)

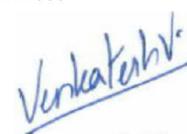


**Manoj Tibrewala**

Chief Financial Officer

Place: Mumbai

Date: June 28, 2021



**Venkatesh Vishwanathan**

Director

(DIN: 03122706)



**Hari Gopalakrishnan**

Company Secretary



# Connect (India) Mobile Technologies Private Limited

Financial Statements for the year ended March 31, 2021

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

## Statement of Cash Flows for the year ended March 31, 2021

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Operating activities</b>		
Profit / (Loss) before tax	1,827	(10,276)
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Liabilities / provisions no longer required written back	-	(260)
Other income	(6,646)	(11,503)
<b>Adjustments for changes in working capital</b>		
(Increase)/Decrease in other financial and non-financial assets	(373)	35,158
(Decrease) in trade payables	(2,207)	(32,200)
(Decrease) in other financial and non-financial liabilities	-	(3)
<b>Cash flows (used in) operating activities</b>	<b>(7,399)</b>	<b>(19,084)</b>
Income tax (paid) (including TDS) (net)	(1,840)	(1,746)
<b>Net cash flows (used in) operating activities</b>	<b>(9,239)</b>	<b>(20,830)</b>
<b>Investing activities</b>		
Fixed deposits with banks having maturity of 3 to 12 months	(20,752)	-
Interest received	6,462	12,767
<b>Net cash flows generated from investing activities</b>	<b>(14,290)</b>	<b>12,767</b>
<b>Net (decrease) / increase in cash and cash equivalents during the year</b>	<b>(23,529)</b>	<b>(8,063)</b>
Cash and cash equivalents at the beginning of the year	221,929	229,992
<b>Cash and cash equivalents at the end of the year (Refer Note 8)</b>	<b>198,400</b>	<b>221,929</b>

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.

### For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004



**Nilangshu Katriar**

Partner

Membership No.: 58814



Place: Mumbai

Date: June 28, 2021

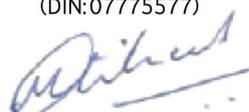
### For and on behalf of the Board of Directors of Connect (India) Mobile Technologies Private Limited



**Avneesh Khosla**

Managing Director

(DIN: 07775577)



**Manoj Tibrewala**

Chief Financial Officer

Place: Mumbai

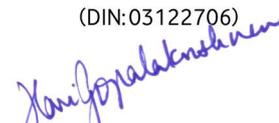
Date: June 28, 2021



**Venkatesh Vishwanathan**

Director

(DIN: 03122706)



**Hari Gopalakrishnan**

Company Secretary



# Connect (India) Mobile Technologies Private Limited

Financial Statements for the year ended March 31, 2021

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

## Notes to Financial Statements

---

### 1. Corporate Information

Connect (India) Mobile Technologies Private Limited (herein after referred to as "CIMTPL" or "the Company"), a wholly owned subsidiary of Vodafone Idea Communication Systems Limited (formerly known as Mobile Commerce Solutions Limited) was incorporated on July 15, 1999 under the provisions of the Companies Act, 1956. The registered office of the Company is situated at Skyline Ikon Road, 1st Floor, 86/92, Andheri Kurla Road, Marol Naka, Andheri (East), Mumbai – 400059, India.

The Company's principal business consists of trading of mobile handsets and data cards.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on June 28, 2021.

### 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 has assessed its liquidity position and its possible sources of funds. The Board of Directors are confident of the Company's ability to meet its obligations as and when they arise in the next twelve months from the balance sheet date. Accordingly, these financial statements have been 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) Revenue Recognition

Revenue is recognised when a customer obtains control of the goods and thus has the ability to direct the use and obtain the benefits from the goods. 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 goods to customers, excluding amounts collected on behalf of third parties. Taxes and duties collected by the seller / service provider are to be deposited with the government and not received by the Company on their own account. Accordingly, it is excluded from revenue.

The Company evaluates its exposure to significant risks and rewards associated with the revenue arrangements in order to determine its position of a principal or an agent in this regard. Consideration payable to a customer includes cash or credit or other items expected to be payable to the customer (or to other parties that purchase the entity's goods from the customer). The Company accounts for consideration payable to a customer as a reduction from the transaction price unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity.



# Connect (India) Mobile Technologies Private Limited

Financial Statements for the year ended March 31, 2021

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

## Notes to Financial Statements

---

### i. 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) Functional and presentation currency

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

### c) 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 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.

### d) Current / Non – Current Classification

An asset is classified as current when

- It is expected to be realized or consumed in the respective company's normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realized within twelve months after the reporting period; or
- 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.



# Connect (India) Mobile Technologies Private Limited

Financial Statements for the year ended March 31, 2021

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

## Notes to Financial Statements

---

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.

### e) 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.

### f) 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.**

#### 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



# Connect (India) Mobile Technologies Private Limited

Financial Statements for the year ended March 31, 2021

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

## Notes to Financial Statements

---

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 group 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.

### 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.

### g) 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:



# Connect (India) Mobile Technologies Private Limited

Financial Statements for the year ended March 31, 2021

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

## Notes to Financial Statements

- 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.

### h) 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.

### i) 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.

### j) Recent pronouncements

Ministry of Corporate Affairs (MCA) issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting April 1, 2021. The amendments are extensive and the Company will evaluate the applicability of the same to give effect to them as required by law.

## 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.



# Connect (India) Mobile Technologies Private Limited

Financial Statements for the year ended March 31, 2021

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

## Notes to Financial Statements

---

### A. Estimates and Assumptions

#### i. 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.

The recognition of deferred tax assets is based on availability of sufficient taxable profits in the company against which such assets can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### ii. 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.

#### iii. Impact of COVID-19 (Global pandemic)

The outbreak of Coronavirus (COVID - 19) pandemic globally and in India is causing significant disturbance and slow down of economic activity. The Company has evaluated impact of this pandemic on its business operations and based on the internal and external information available and the current indicators, there is no significant impact on its financial statements.



# Connect (India) Mobile Technologies Private Limited

Financial Statements for the year ended March 31, 2021

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

## Notes to Financial Statements

### Note 6

#### Other non-current financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits and balances with government authorities	1,110	1,110
Margin money deposits	1,340	3,130
<b>Total</b>	<b>2,450</b>	<b>4,240</b>

### Note 7

#### Other non-current assets (Considered Good unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance income tax (net)		
- Considered Good	304	307
Others (consisting mainly deposit against demands which are appealed against / subjudice)		
- Considered Good	17,318	17,318
- Considered Doubtful	40,701	40,701
	58,323	58,326
Allowance for doubtful advances	(40,701)	(40,701)
<b>Total</b>	<b>17,622</b>	<b>17,625</b>

### Note 8

#### Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- In current accounts	3,400	1,471
- In deposit accounts	195,000	220,458
<b>Total</b>	<b>198,400</b>	<b>221,929</b>

### Note 9

#### Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Margin money deposit	2,983	982
Fixed deposits with banks having maturity of 3 to 12 months	20,752	-
<b>Total</b>	<b>23,735</b>	<b>982</b>

### Note 10

#### Other current financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Interest Receivable	587	403
<b>Total</b>	<b>587</b>	<b>403</b>

### Note 11

#### Other current assets (Considered Good unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
GST Recoverable	1,379	1,217
<b>Total</b>	<b>1,379</b>	<b>1,217</b>



# Connect (India) Mobile Technologies Private Limited

Financial Statements for the year ended March 31, 2021

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

## Notes to Financial Statements

### Note 12

#### Equity Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Numbers	Amount	Numbers	Amount
<b>Equity Share Capital</b>				
<b>Authorised share capital</b>				
Equity Shares of ₹ 10 each	150,000,000	1,500,000	150,000,000	1,500,000
	<b>150,000,000</b>	<b>1,500,000</b>	<b>150,000,000</b>	<b>1,500,000</b>
<b>Issued, subscribed and paid-up share capital</b>				
Equity Shares of ₹ 10 each fully paid up	149,910,000	1,499,100	149,910,000	1,499,100
	<b>149,910,000</b>	<b>1,499,100</b>	<b>149,910,000</b>	<b>1,499,100</b>

#### a) Reconciliation of number of shares outstanding

Particulars	As at March 31, 2021		As at March 31, 2020	
	Numbers	Amount	Numbers	Amount
Equity shares outstanding at the beginning of the year	149,910,000	1,499,100	149,910,000	1,499,100
Issue of share capital	-	-	-	-
<b>Equity shares outstanding at the end of the year</b>	<b>149,910,000</b>	<b>1,499,100</b>	<b>149,910,000</b>	<b>1,499,100</b>

#### b) Terms/ rights attached to 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, 2021		As at March 31, 2020	
	Numbers	% holding in the class	Numbers	% holding in the class
<b>Equity shares of ₹ 10 each fully paid</b>				
Vodafone Idea Communication Systems Limited, the immediate holding company and its nominees	149,910,000	100%	149,910,000	100%

### Note 13

#### Other Equity

Particulars	As at	As at
	March 31, 2021	March 31, 2020
<b>(i) Retained Earnings</b>		
Opening balance	(1,259,047)	(1,246,918)
Net Profit / (Loss) for the year	(16)	(12,129)
<b>Closing balance</b>	<b>(1,259,063)</b>	<b>(1,259,047)</b>

### Note 14

#### Other current liabilities

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Taxes and other liabilities	19	19
<b>Total</b>	<b>19</b>	<b>19</b>

### Note 15

#### Short term provisions

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Provision for tax (net of advance tax)	761	761
<b>Total</b>	<b>761</b>	<b>761</b>



# Connect (India) Mobile Technologies Private Limited

Financial Statements for the year ended March 31, 2021

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

## Notes to Financial Statements

### Note 16

#### Other income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income	6,646	11,503
<b>Total</b>	<b>6,646</b>	<b>11,503</b>

### Note 17

#### Other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Infra sharing support charges (refer note 25)	310	310
Rates and taxes	3,913	15,282
Bank charges	1	1
Support service charges (refer note 25)	135	-
Director's sitting fees (refer note 25)	225	225
Legal and professional charges	132	203
Audit fees (refer note 22)	100	100
Miscellaneous expenses	-	8
<b>Total</b>	<b>4,816</b>	<b>16,129</b>

### Note 18

#### Finance costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest		
- Others	3	5,910
<b>Total</b>	<b>3</b>	<b>5,910</b>

### Note 19

#### Contingent Liabilities

##### Disputed claims not acknowledged as debt:

Sr. No.	Description	As at March 31, 2021	As at March 31, 2020
1	Sales Tax/Value Added Tax	14,137	37,880

#### Sales Tax / Value Added Tax matters

The Company had received demands for non-production of C & F forms for interstate sales as well as received VAT assessment orders. The Company has challenged these demands which are pending at various forums.

Future cash outflows in respect of the above matters are determinable only on receipt of judgments/ decisions from such forums/ authorities. Further, based on the Company's evaluation, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised for the above.



# Connect (India) Mobile Technologies Private Limited

Financial Statements for the year ended March 31, 2021

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

## Notes to Financial Statements

### Note 20

During the current year, the Company has made an application under Local VAT Amnesty Scheme for settlement of disputed matters amounting to Rs. 35,486 (March 31,2020: INR 116,707) which were being contested by the Company at various forums. Based on the provisions of the Scheme, the Company has made an additional payment of Rs. 6,279 (March 31,2020: INR 18,868) towards all matters offered for settlement under the scheme. Further, the following effects have been recognized during the current year:

- Charged to Statement of Profit and Loss as –
  - Rates and Taxes - Rs. 3,912 (March 31,2020: INR 15,112)
  - Interest – Others – Rs. NIL (March 31,2020: INR 5,671)
- Effects recognized in balance sheet –
  - Reduction in Non-current assets – Others - Rs. NIL (March 31,2020: INR 33,565)
  - Reduction in Trade Payable - Rs. 2,369 (March 31,2020: INR 31,650)

### Note 21

#### Segment Information

As the Company operates in only one business segment, there is no separate reportable segment as per Ind AS – 108 on “Operating segment”.

### Note 22

#### Auditor's Remuneration

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Statutory audit fees	100	100
Out of pocket expenses (included in Misc. Expenses)	-	8
<b>Total Remuneration</b>	<b>100</b>	<b>108</b>

### Note 23

#### Income Tax Expenses

##### (a) Major Component of Tax Expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Current Tax</b>		
Current Tax on profits for the year	1,673	2,725
Adjustments for tax of prior year	170	(872)
<b>Income Tax Expense</b>	<b>1,843</b>	<b>1,853</b>

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit / (Loss) before Income tax expense	1,827	(10,276)
<b>Applicable Tax Rate</b>	<b>25.17%</b>	<b>25.17%</b>
Increase/ (Decrease) in taxes on account of:		
Effect of items for which no deferred tax is recognised	0.00%	0.22%
Effects of expenses that are not deductible in determining the taxable profits	66.38%	-51.91%
Other Items	9.30%	8.49%
<b>Effective tax rate</b>	<b>100.85%</b>	<b>-18.04%</b>

(c) Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unabsorbed depreciation and tax losses can be utilised. Accordingly, in view of uncertainty the Company, on a conservative basis, has not recognized deferred tax assets in respect of carried forward tax losses / temporary differences of INR 40,701 as of March 31, 2021 (March 31, 2020: INR 40,701).



# Connect (India) Mobile Technologies Private Limited

Financial Statements for the year ended March 31, 2021

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

## Notes to Financial Statements

### Note 24

#### Basic & Diluted Earnings/(Loss) per Share

Particulars	For the year ended	For the year ended
	March 31, 2021	March 31, 2020
Nominal value of equity shares	10/-	10/-
Profit / (Loss) after Tax	(16)	(12,129)
Profit / (Loss) attributable to equity shareholders	(16)	(12,129)
Weighted average number of equity shares outstanding during the year	149,910,000	149,910,000
Basic and Diluted Earnings Per Share	(0.00)	(0.08)

### Note 25

#### Related Party Transactions

The Company has transaction with below related parties:

Relationship	Related Party
Ultimate Holding Company	Vodafone Idea Limited
Immediate Holding Company	Vodafone Idea Communication Systems Limited (formerly known as Mobile Commerce Solutions Limited) w.e.f. June 20,2019
Fellow Subsidiaries	Vodafone Idea Shared Services Limited (formerly Vodafone India Ventures Limited)
Key Management Personnel (KMP)	Mrs. Tripti Desai Mr. Avneesh Khosla

#### A. Transactions with Related Parties for the year ended March 31, 2021 and March 31, 2020

Particulars	Fellow Subsidiaries	Ultimate Holding Company	KMP
Purchase of Services	135	310	-
	-	(310)	-
Reimbursement of expenses to	-	(424)	-
	-	-	225
Director's sitting fees	-	-	(225)

(Figures in brackets are for the year ended March 31, 2020)

B. Mr. Avneesh Khosla, Managing Director, draws NIL remuneration from the Company. He is an employee of Vodafone Idea Limited (VIL) and draws remuneration from VIL in the capacity of being an employee of VIL

#### C. Balances with Related Parties

Particulars	Fellow Subsidiary	Ultimate Holding Company
Trade and other payables	149	29
	-	(28)

(Figure in bracket is as on March 31, 2020)



# Connect (India) Mobile Technologies Private Limited

Financial Statements for the year ended March 31, 2021

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

## Notes to Financial Statements

### Note 26

#### Financial Instruments

##### (i) Financial Instruments by Category:

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

##### Financial Instruments

Particulars	As at	As at
	March 31, 2021	March 31, 2020
	Amortised Cost	Amortised Cost
<b>Financial Assets</b>		
Cash and cash equivalents	198,400	221,929
Margin Money Deposits	4,323	4,112
Fixed deposits with banks having maturity of 3 to 12 months	20,752	-
Deposits and balances with government authorities	1,110	1,110
Interest receivable	587	403
<b>Total Financial Assets</b>	<b>225,172</b>	<b>227,554</b>

Particulars	As at	As at
	March 31, 2021	March 31, 2020
	Amortised Cost	Amortised Cost
<b>Financial Liabilities</b>		
Trade Payables	3,356	5,563
<b>Total Financial Liabilities</b>	<b>3,356</b>	<b>5,563</b>

##### (ii) 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 27

#### Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade payables. The Company's principal financial assets comprise deposits with government authorities, margin money, fixed deposits with banks having maturity of 3 to 12 months, cash and bank balances and interest receivable.

The Company is exposed to various financial risks such as market risk, credit risk and liquidity risk. The Directors of the Company oversee 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 operating and investing activities.

#### - Other financial assets and cash deposits

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 co-ordination with its ultimate holding company's Treasury team.

The Company's maximum exposure to credit risk for the components of the balance sheet as at March 31, 2021 and March 31, 2020 on its carrying amounts is disclosed in notes 6, 8, 9 and 10.



# Connect (India) Mobile Technologies Private Limited

Financial Statements for the year ended March 31, 2021

(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 Financial liabilities of trade payables which are payable within one year.

The Company has sufficient cash balance for settling its liabilities as and when they arise.

### Note 28

#### Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The company has Financial liabilities of trade and other payables which are payable within one year. The Company maintains sufficient cash and other liquid financial assets to meet the payment of financial liabilities within the due dates.

### Note 29

Previous year 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



**Nilangshu Katriar**

Partner

Membership No.: 58814



Place: Mumbai

Date: June 28, 2021

#### For and on behalf of the Board of Directors of Connect (India) Mobile Technologies Private Limited



**Avneesh Khosla**

Managing Director

(DIN: 07775577)

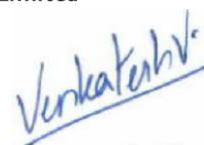


**Manoj Tibrewala**

Chief Financial Officer

Place: Mumbai

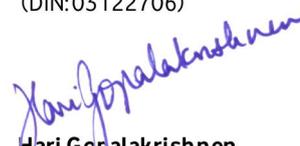
Date: June 28, 2021



**Venkatesh Vishwanathan**

Director

(DIN: 03122706)



**Hari Gopalakrishnan**

Company Secretary

