

30<sup>th</sup> September, 2018

**BSE Limited**

Department of Corporate Services,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400001

**Ref: Scrip Code: 955472**

**Sub: Compliance under Regulation 52 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015**

We wish to inform you that Board of Directors, of the Company at its meeting held on 30<sup>th</sup> September, 2018 at registered office of the Company, has approved the Audited Financial Results for the year ended on 31<sup>st</sup> March, 2018. Said meeting commenced at 11:30 A.M. and concluded at 12:30 P.M.

Pursuant to Regulation 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, kindly find enclosed herewith:

1. Audited Financial Results for year ended 31<sup>st</sup> March, 2018 along with the additional Information as required under Regulation 52(4) of the said Regulations;
2. Auditor Report of the Statutory Auditor;
3. Declaration on Audit Report with Un-Modified Opinion as per Regulation 52(3) of the said Regulations

Kindly take the same on record.

Thanking you

Yours Sincerely

**for vivo Mobile India Private Limited**

vivo Mobile India Private Limited

  
Company Secretary

**Shweta Bhardwaj**  
**(Company Secretary)**



**vivo Mobile India Private Limited**  
**Statement of Profit and Loss for the year ended 31st March 2018**

| Particulars   | Notes | (Amount in Rs.)                      |                                      |
|---|-------|--------------------------------------|--------------------------------------|
|   |       | For the year ended<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
| <b>Income</b>   |       |                                      |                                      |
| Revenue from operations   | 17    | 1,11,54,37,14,924                    | 61,76,67,76,490                      |
| Other income  | 18    | 25,02,07,265                         | 1,16,28,75,356                       |
| <b>Total income</b>   |       | <b>1,11,79,39,22,189</b>             | <b>62,92,96,51,846</b>               |
| <b>Expenses</b>   |       |                                      |                                      |
| Cost of materials consumed  | 19    | 93,85,92,34,186                      | 59,09,39,86,781                      |
| Changes in inventories of work-in-progress, stock in trade and finished goods | 20    | 4,30,46,39,288                       | (4,53,95,79,619)                     |
| Excise duty   |       | 70,43,60,758                         | 1,46,28,05,074                       |
| Employee benefit expenses   | 21    | 96,36,78,238                         | 38,32,83,456                         |
| Finance costs   | 22    | 21,32,75,240                         | 6,90,90,109                          |
| Depreciation and amortisation expense   | 23    | 22,49,38,714                         | 8,84,52,426                          |
| Other expenses  | 24    | 12,77,78,45,784                      | 7,52,71,88,472                       |
| <b>Total expenses</b>   |       | <b>1,13,04,79,72,210</b>             | <b>64,08,52,24,701</b>               |
| <b>Profit/(Loss) before exceptional items and tax</b>                         |       | <b>(1,25,40,50,021)</b>              | <b>(1,15,55,72,855)</b>              |
| Exceptional items   |       |                                      |                                      |
| <b>Profit/(Loss) before tax</b>   |       | <b>(1,25,40,50,021)</b>              | <b>(1,15,55,72,855)</b>              |
| Income tax expense  | 25    |                                      |                                      |
| Current tax   |       |                                      |                                      |
| Deferred tax  |       | 1,11,43,868                          | 1,63,61,762                          |
| <b>Profit/(Loss) for the year</b>   |       | <b>(1,24,29,06,153)</b>              | <b>(1,13,92,11,093)</b>              |
| <b>Other comprehensive income</b>   |       |                                      |                                      |
| <i>Items that will not be reclassified to profit or loss</i>                  |       |                                      |                                      |
| Remeasurement of post employment benefit obligations                          |       | 7,59,008                             | (2,87,542)                           |
| Deferred gains/losses on cash flow hedges                                     |       |                                      |                                      |
| Income tax relating to these items  |       |                                      |                                      |
| <b>Other comprehensive income for the year, net of tax</b>                    |       | <b>(7,59,006)</b>                    | <b>2,87,542</b>                      |
| <b>Total comprehensive income for the year</b>                                |       | <b>(1,24,36,65,159)</b>              | <b>(1,13,89,23,551)</b>              |

Summary of Significant Accounting Policies & Notes forming part of Financial Statements 1 & 2

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

As per our attached report of even date

For Sudhir Sunil & Co.  
Chartered Accountants  
FRN - 08345N

*Aman Chikeraal*  
Aman Chikeraal  
Partner  
Membership No: 517896

For and on behalf of the Board  
vivo Mobile India Private Limited

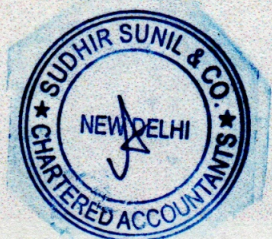
*P.Y. 30/7/18*  
ZHIYONG CHEN  
(Managing Director)  
DIN: 07201369  
L-124, DLF Park Place, DLF City, Phase-V, Gurgaon  
Haryana-122002

*Harinder*  
HARINDER DAHIYA  
(Additional Director)  
DIN: 07578893  
Village Gailpur  
Distt. Palwal Haryana-121102

*LIU HAO*  
LIU HAO  
(Chief Financial Officer)  
PAN: AOIPH3325M  
L-302, L Block, DLF Park Tower, DLF Park Place,  
Phase-5, Gurgaon  
Haryana-122002

*Shweta Bhardwaj*  
SHWETA BHARDWAJ  
(Company Secretary)  
M.NO: 43310  
H No 11 VPO Ladpur,  
New Delhi-110081

Place : New Delhi  
Date : 30.09.2018





vivo Mobile India Private Limited  
Balance Sheet as at 31st March 2018

(Amount in Rs.)

| Particulars                              | Notes | As at                   |                         | As at                   |
|--|-------|-------------------------|-------------------------|-------------------------|
|  |       | 31st March, 2018        | 31st March, 2017        | April 1, 2018           |
| <b>Assets</b>                            |       |                         |                         |                         |
| <b>Non-current assets</b>                |       |                         |                         |                         |
| Property, plant and equipment            | 3     | 2,58,63,48,926          | 1,50,59,74,111          | 48,17,95,791            |
| Capital work in progress                 | 3     | 6,84,74,178             | 48,74,465               | 5,38,92,297             |
| Intangible assets                        | 4     | 3,85,51,062             | 3,98,68,488             | 3,59,19,475             |
| <b>Financial assets</b>                  |       |                         |                         |                         |
| i. Loans & Security Deposit              | 5(d)  | 7,65,03,511             | 8,45,51,360             | 1,42,03,722             |
| ii. Other financial assets               | 5(e)  | 13,91,274               | 20,20,854               | 20,75,788               |
| Other non-current assets                 | 9     | 1,04,01,360             | 2,60,02,342             | 3,24,18,648             |
| Deferred tax assets                      | 6     | 4,19,55,823             | 2,88,79,149             | 1,11,58,184             |
| <b>Total Non-current assets</b>          |       | <b>2,79,16,14,134</b>   | <b>1,69,19,70,767</b>   | <b>61,14,63,903</b>     |
| <b>Current assets</b>                    |       |                         |                         |                         |
| Inventories                              | 7     | 3,77,37,20,755          | 9,71,34,14,664          | 1,25,46,37,556          |
| <b>Financial assets</b>                  |       |                         |                         |                         |
| i. Trade receivables                     | 5(a)  | 13,70,58,03,243         | 5,08,47,47,624          | 1,53,59,96,536          |
| ii. Cash and cash equivalents            | 5(b)  | 37,48,39,178            | 61,76,58,068            | 31,41,80,471            |
| iii. Bank balances other than (ii) above | 5(c)  | 6,17,40,41,980          | 4,93,04,77,374          | 30,00,99,999            |
| iv. Loans & Security Deposits            | 5(d)  | 49,42,940               | -                       | -                       |
| v. Other financial assets                | 5(e)  | 18,60,44,536            | 16,16,64,740            | -                       |
| Current tax assets (Net)                 | 8     | -                       | -                       | -                       |
| Other current assets                     | 10    | 13,95,58,62,335         | 2,65,30,58,561          | 69,82,82,752            |
| <b>Total current assets</b>              |       | <b>38,17,52,54,967</b>  | <b>23,16,10,21,031</b>  | <b>4,10,31,97,314</b>   |
| <b>Total Assets</b>                      |       | <b>40,96,68,69,101</b>  | <b>24,85,29,91,798</b>  | <b>4,71,46,61,217</b>   |
| <b>Equity and liabilities</b>            |       |                         |                         |                         |
| <b>Equity</b>                            |       |                         |                         |                         |
| Equity share capital                     | 11(a) | 28,00,00,000            | 28,00,00,000            | 28,00,00,000            |
| Other equity                             |       | -                       | -                       | -                       |
| Reserves and surplus                     | 11(b) | (4,38,27,66,550)        | (3,13,91,01,393)        | (2,00,01,77,842)        |
| <b>Total equity</b>                      |       | <b>(4,10,27,66,550)</b> | <b>(2,86,91,01,393)</b> | <b>(1,72,01,77,842)</b> |
| <b>Liabilities</b>                       |       |                         |                         |                         |
| <b>Non-current liabilities</b>           |       |                         |                         |                         |
| <b>Financial liabilities</b>             |       |                         |                         |                         |
| i. Borrowings                            | 14(a) | 6,99,61,50,375          | 6,99,61,50,375          | -                       |
| ii. Other financial liabilities          | 14(b) | -                       | -                       | -                       |
| Provisions                               | 12    | -                       | -                       | -                       |
| Employee benefit obligations             | 13    | 1,45,04,368             | 43,00,541               | 6,12,494                |
| Deferred tax liabilities                 | 6     | 32,92,009               | 13,58,203               | -                       |
| Other non-current liabilities            | 15    | 9,60,64,052             | 7,09,84,321             | 3,08,10,098             |
| <b>Total non-current liabilities</b>     |       | <b>7,11,00,10,804</b>   | <b>7,07,28,00,440</b>   | <b>3,18,22,592</b>      |
| <b>Current liabilities</b>               |       |                         |                         |                         |
| <b>Financial liabilities</b>             |       |                         |                         |                         |
| i. Borrowings                            | 14(a) | -                       | -                       | -                       |
| ii. Trade payables                       | 14(c) | 26,49,96,92,657         | 19,26,60,39,611         | 6,25,40,19,714          |
| iii. Other financial liabilities         | 14(b) | 8,42,73,291             | 7,62,40,157             | 65,24,990               |
| Provisions                               | 12    | 93,98,69,422            | 24,24,62,631            | 5,65,06,517             |
| Employee benefit obligations             | 13    | 5,46,441                | 98,663                  | 20,557                  |
| Other current liabilities                | 16    | 10,42,82,53,036         | 1,05,44,21,699          | 8,59,44,779             |
| <b>Total current liabilities</b>         |       | <b>37,96,96,24,847</b>  | <b>20,63,92,62,761</b>  | <b>6,40,30,16,467</b>   |
| <b>Total liabilities</b>                 |       | <b>46,06,96,35,661</b>  | <b>27,71,20,93,191</b>  | <b>6,43,48,39,059</b>   |
| <b>Total equity and liabilities</b>      |       | <b>40,96,68,69,101</b>  | <b>24,85,29,91,798</b>  | <b>4,71,46,61,217</b>   |

Summary of Significant Accounting Policies & Notes forming part of Financial Statements 1 & 2  
The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For Sudhir Sunil & Co.  
Chartered Accountants  
Firm No. 08345N

*Amit Chakraborty*  
Amit Chakraborty  
Partner  
Membership No. : 517896

For and on behalf of the Board  
vivo Mobile India Private Limited

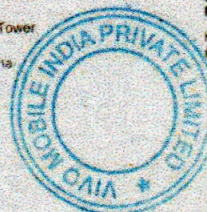
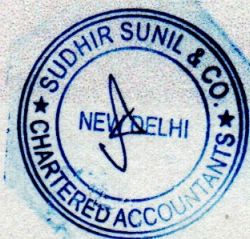
*Zhiyong Chen*  
ZHIYONG CHEN  
(Managing Director)  
DIN: 07201369  
L-124, DLF Park Place, DLF City,  
Phase-V, Gurgaon, Haryana-  
122002

*Harinder*  
HARINDER DAHIYA  
(Additional Director)  
DIN: 07578893  
Village Gaipur  
Dist. Palwal Haryana-  
121102

*Shweta Bhardwaj*  
SHWETA BHARDWAJ  
(Chief Financial Officer)  
PAN: AOIPH3025M  
L-302, L Block, DLF Park Tower,  
DLF Park Place  
Phase-V, Gurgaon, Haryana-  
122002

SHWETA BHARDWAJ  
(Company Secretary)  
M.NO: 43310  
H.No 11 VPO Ladpur,  
New Delhi-110081

Place : New Delhi  
Date : 30.09.2018





**VIVO MOBILE INDIA PRIVATE LIMITED**  
 Standalone Audited Financials Results for the Yearly ended March 31, 2018  
 10th & 11th Floor, Palm Springs Plaza (Complex) Village Wazirabad, Sector-54 Gurgaon HR 122003  
 CIN-U74999HR2014FTC052934

Year to Date Figures Ended

| Particulars                     | Year to Date Figures for<br>Current Period Ended<br>31/03/2018 | Previous accounting<br>year ended<br>(31/03/2017) |
|---------------------------------|--|---|
|                                 | Audited  | Audited   |
| Debtore Redemption Reserve      |  |   |
| Earnings Per Share (EPS)        | (44.42)  | (40.68)   |
| Debt Equity Ratio               | (1.71)   | (2.45)  |
| Debt Service Coverage Ratio     | (2.83)   | (13.44)   |
| Interest Service Coverage Ratio | (3.83)   | (14.48)   |
| Assets Coverage Ratio           | 0.42   | 0.60  |
| Net worth                       | (41,027.67)  | (28,591.01)                                       |
| Net Profit after tax            | (12,436.65)  | (11,389.24)                                       |
| Credit Rating                   | 'IND BB'   | 'IND BB'  |

Previous due date for the payment of Interest on Non Convertible Debentures: 22nd December, 2017  
 Next due date for the payment of Interest on Non Convertible Debentures: **22nd December, 2018**  
 There was no material deviation in the use of proceeds of issue of Non Convertible Debt Securities from the objects stated in the offer document

For Sudhir Sunil & Co.  
 Chartered Accountants  
 FRN - 08345N  
*Aman Chikeral*  
 Aman Chikeral  
 Partner  
 Membership No. : 517896



For sign/for behalf of the Board  
 VIVO Mobile India Private Limited  
  
 ZHIYONG CHEN  
 (Managing Director)  
 DIN: 07201369  
 L-124, DLF Park Place,  
 DLF City, Phase-V,  
 Gurgaon, Haryana-  
 122002



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF vivo MOBILE INDIA PRIVATE LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of **vivo MOBILE INDIA PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of the Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the order issued under section 143(11) of the Act.





We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

### **Opinion**

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 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 31st March, 2018, its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### **Emphasis of Matter**

Without qualifying our opinion, we draw your attention to :

Note 11 (b) of the financial statements wherein it is stated that the Company has accumulated losses of Rs. 4,382,766,550 (previous year Rs. 3,139,101,393) which has eroded its net worth. However, management is considering various measures which are in process of implementation, such as increase in product reach, reduction in cost, etc. In view of the above facts, the financial statements have been continued to be prepared on a going concern basis.

Note 14 (c) of the financial statements regarding overdue trade payable of Rs. 1,064,390,810 to overseas parties, which is pending for payment for more than six months on the reporting date. The above overdue trade payable amount violates regulations stipulated under the Foreign Exchange Management Act, 1999. The management is however, hopeful of rectifying non-compliances if any from appropriate authority in due course and hence, no provision for any consequential liability is required to be made at this stage.





## 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 Companies Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement, dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on March 31, 2018 in conjunction with our audit of financial statements of the Company for the year ended on that date and our report dated 29<sup>th</sup> September, 2018 as per Annexure B expressed an unqualified opinion.





- (g) 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 Sudhir Sunil & Co.**  
**Chartered Accountants**  
**FRN: 08345N**



**Aman Chikersal**  
**Partner**  
**Membership No.:517896**  
**Place: New Delhi**  
**Date: 30/09/2018**





## ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

**[Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the members of vivo Mobile India Private Limited]**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of accounts and other records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) The Company has a program of physical verification of its fixed assets under which fixed assets are physically verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. In accordance with this program, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
- (ii) According to the information and explanations given to us,
- (a) Physical verification of inventory has been conducted at reasonable intervals by the management.
  - (b) No material discrepancies were noticed on physical verification.
- (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 (LLPs) or other parties listed in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Orders are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and securities, as applicable.





- (v) According to the information and explanation given to us the provisions of section 73 to 76 or any other relevant provisions of the companies Act, 2013 and companies (Acceptance of deposits) Rules 2014 (as amended) with regard to deposits from the public are not applicable in the current year. No order has been passed by Company Law Board or national company law tribunal or Reserve Bank of India or any court or any other tribunal in this regard.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the Information and explanation given to us, the Company is **generally regular** in depositing with appropriate authorities undisputed statutory dues applicable to it including provident fund, income tax, value added tax, service tax, duty of customs and other material statutory dues to the extent applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, services tax, sales tax, custom duty, excise duty and cess were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.
- (b) As per explanation and information given to us, there are no disputed amounts with regards to payment of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess as at 31st March, 2018.
- (viii) According to the Information and explanation given to us, the Company has not defaulted in repayment of loans and borrowing to a financial institution, banks, government or dues to debenture holders.
- (ix) The Company did not raise money by way of initial public offer or further public offer (including debt instruments). Therefore clause (ix) of the said order is not applicable to the Company.
- (x) According to the information and explanation given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) According to information and explanations given to us, the clause pertaining to Managerial Remuneration is not applicable to the Company.





- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) In our opinion and according to the information and explanations given to us, during the year under review the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures u/s 42 of the Companies Act, 2013 and hence reporting under clause 3 (xiv) of the order is not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him as per the provisions of section 192 of the Act. Accordingly, the provisions of clauses 3(xv) of the Order are not applicable.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Sudhir Sunil & Co.**

**Chartered Accountants**

**FRN: 08345N**



**Aman Chikersal**

**Partner**

**Membership No.: 517896**

**Place: New Delhi**

**Date: 30/09/2018**





## ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

### 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 **vivo MOBILE INDIA PRIVATE LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). 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 Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting (IFCoFR) 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting (IFCoFR) 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 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**

Because of the inherent limitations of internal financial controls over financial reporting (IFCoFR), 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 (IFCoFR) to future periods are subject to the risk that the internal financial control over financial reporting (IFCoFR) 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, an adequate internal financial controls system over financial reporting (IFCoFR) and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 Sudhir Sunil & Co.**

**Chartered Accountants**

**FRN: 08345N**



**Aman Chikersal**

**Partner**

**Membership No.: 517896**

**Place: New Delhi**

**Date: 30/09/2018**





ANNEXURE I

(Declaration (for Audit Report with un-modified opinion))

|    |  |  |
|----|--|--|
| 1. | Name of the Company                            | vivo Mobile India Private Limited  |
| 2. | Annual financial statements for the year ended | 31 <sup>st</sup> March, 2018   |
| 3. | Type of Audit Observations                     | Un-modified  |
| 4. | Frequency of Observation                       | Not Applicable   |
| 5. | To be signed by                                |  |
|    | Managing Director                              | For vivo Mobile India Private Limited<br><br>Zhiyong Chen<br>(Managing Director)<br>DIN: 07201369<br> |
|    | Chief Financial Officer                        | For vivo Mobile India Private Limited<br><br>Liu Hao  |
|    | Auditor of the Company                         | For Sudhir Sunil Co.<br><br>Aman Chikersal<br>  |
|    | Audit Committee Chairman                       | For vivo Mobile India Private Limited<br><br>Yun Lan<br>(Chairman of Audit Committee)  |

Date: 30/09/2018  
Place: Gurugram



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