Company Registration No 02983774

Cable and Wireless (India) Limited

Annual report and financial statements

31 March 2014

Registered Office
Vodafone House
The Connection
Newbury
Berkshire
RG14 2FN

Contents

Strategic report

The Company operates through a branch in India and is engaged in the design, implementation and maintenance of telecommunication networks for large, multinational clients in India

The Company entered into a Business Transfer Agreement on 31 March 2014, effective date being 1 April 2014, with Vodafone Global Services Pvt Ltd to transfer its telecommunication networking services, supply and maintenance of network and IT equipment business and its assets for a consideration of Rs 755 6m (£7 6m) on a going concern basis

Key performance indicators
Measurement of how the Company is performing against its aims and strategies is currently based on two key performance indicators, EBITDA as a percentage of revenue and as a percentage of headcount. EBITDA is calculated as all operating profits or losses before interest, taxation, depreciation and amortisation

	2014	2013
EBITDA as a percentage of revenue	10 9%	11 4%
EBITDA per head	£1,439	£1,681

EBITDA as a percentage of headcount has decreased year on year largely due to the relative strength of Pound Sterling against the Indian Rupee, whilst, EBITDA as a percentage of revenue has decreased year on year due to increase in competition and the lead time required for increased investment in staff resources to realise improved results

Principal risks and uncertainties
From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the Vodafone Group plc, the ultimate parent company and are not managed separately Accordingly, the principal risks and uncertainties of Vodafone Group plc, which include those of the company, are discussed on pages 46 and 47 of the group's annual report which does not form part of this report

The report of the directors was approved by the Board 19 December 2014 and signed on its behalf by

N O'Sullivan
Director

Date 19 December 2014

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2014

Results and dividends

The profit for the year amounts to £264,238 (2013 loss of £792,353)

The Directors do not recommend the payment of a dividend (2013 £nil)

Going concern

Following the transfer of its trade, assets and liabilities other than certain intercompany, tax and bank balances to a Vodafone fellow company on 1 April 2014 for a consideration of Rs755 6m(£7 6m), the Company has now ceased to trade As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on the basis that the company is no longer a going concern No material adjustments arose as a result of ceasing to apply the going concern basis

Financial Risk Management

The Company follows Vodafone Group policy to manage its principal risks which include liquidity risk, market risk (interest rate management and foreign exchange management) and credit risk The Group's treasury function provides a centralised service to the Group, and follows a framework of policies and guidelines authorised and reviewed annually by the Group's management

The Group's internal auditors review the internal control environment regularly There has been no significant change during the financial year to the types of financial risks faced by the Company, or the Company's approach to the management of those risks

Further details of the Group's policies can be found in the Annual Report and Financial Statements of Vodafone Group Plc for the year ended 31 March 2014, which does not form part of this report

Directors of the Company

The Directors who held office during the year and subsequent to the year end were

K S Thilakan (resigned 4 April 2013)

A R Kinch (resigned 9 July 2014)

S Gurudas (appointed 4 April 2013 and resigned 9 July 2014)

S McCrystal (appointed 9 July 2014)

S Nagaraj (appointed 9 July 2014)

N O'Sullivan (appointed 9 July 2014)

S Panigrahi (appointed 9 July 2014)

All Directors benefit from qualifying third party indemnity provisions that were in place during the financial year and at the date of this report

Directors' report
(continued)

Employees
The Company has developed employment policies that comply with local requirements and meet relevant standards on employment of disabled people Full and fair consideration is given to disabled applicants for employment and training, and career development is encouraged on the basis of aptitude and abilities It is the policy of the Company to retain employees who become disabled whilst in its service and to provide specialist training where appropriate

As a Company within a global telecommunications group, great emphasis is placed on effective employee communications and direct communication programmes have been established The Company values the involvement of its employees and continues to keep them informed on any matters affecting them and factors relevant to the performance of the Company Colleague representatives are consulted regularly on a wide range of issues affecting their current and future interests

Political contributions
The Company made no disclosable political donations or incurred any political expenditure during the year (2013 £nil)

Disclosure of information to the auditor
The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

The report of the directors was approved by the Board and signed on its behalf by

Winifred Chime

(Director, Vodafone Corporate Secretaries Limited)
Company secretary

Date 19 December 2014

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the audited financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year Under that law the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period

In preparing these financial statements, the Directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

Independent Auditor's report to the members of Cable and Wireless (India) Limited

We have audited the financial statements of Cable and Wireless (India) Limited for the year ended 31 March 2014, which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Reconciliation of movements in shareholders' funds, the Balance sheet and the related notes 1 to 17 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' responsibilities (set out on page 4), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2014 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Emphasis of matter - Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent Auditor's report to the members of Cable and Wireless (India) Limited *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

David Griffin FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP,
Chartered Accountants and Statutory Auditor
London, United Kingdom,

Date 19 12 14

Profit and loss account
For the year ended 31 March 2014

	Note	2014 £	2013 £
Turnover	2	8,610,946	8,005,571
Operating expenses		(7,972,608)	(7,389,913)
Operating profit		638,338	615,658
Interest receivable and similar income	5	244,315	58,775
Interest payable and similar charges	6	(86,733)	(157,167)
Profit on ordinary activities before taxation	3	795,920	517,266
Taxation	7	(531,682)	(1,309,619)
Profit/(loss) for the financial year		264,238	(792,353)

The results for the period are derived entirely from continuing operations

Statement of total recognised gains and losses
For the year ended 31 March 2014

	2014	2013
	£	£
Profit/(loss) for the financial year	264,238	(792,353)
Currency translation difference arising on branch account	(788,163)	(42,567)
Total recognised losses relating to the year	(523,925)	(834,920)

Reconciliation of movements in shareholders' funds
For the year ended 31 March 2014

	2014 £	2013 £
Profit/(loss) for the financial year	264,238	(792,353)
Currency translation difference arising on branch account	(788,163)	(42,567)
Net reduction to shareholders' funds	(523,925)	(834,920)
Opening shareholders' funds at 1 April	1,976,681	2,811,601
Closing shareholders' funds at 31 March	1,452,756	1,976,681

The notes on pages 11 to 20 form an integral part of these financial statements

Balance sheet
as at 31 March 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	8	1,104,892	847,410
Current assets			
Debtors - including £160,564 (2013 £318,037) due after more than one year	9	4,500,871	4,087,987
Cash at bank and in hand		557,812	1,957,030
		5,058,683	6,045,017
Creditors Amounts falling due within one year	10	(4,710,819)	(4,915,746)
Net current assets		347,864	1,129,271
Net assets		1,452,756	1,976,681
Capital and reserves			
Called-up share capital	11	1,000,000	1,000,000
Profit and loss account	12	452,756	976,681
Total shareholders' funds		1,452,756	1,976,681

These financial statements were approved and authorised for issue by the Board of Directors on 19 December 2014 and signed on its behalf by

N O'Sullivan
Director

Notes to the financial statements

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements are prepared in accordance with applicable UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), and under the historical cost accounting rules

Following the transfer of its trade, assets and liabilities other than certain intercompany, tax and bank balances to a Vodafone fellow company on 1 April 2014 for a consideration of Rs755 6m(£7 6m), the Company has now ceased to trade As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on the basis that the company is no longer a going concern No material adjustments arose as a result of ceasing to apply the going concern basis

Cash flow statement

Under FRS 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking A consolidated cash flow statement is included in the financial statements of Vodafone Group Plc in which the Company is consolidated and which are publicly available from the address in note 17

Revenue recognition

Revenue, which excludes discounts and value added tax, represents the amount receivable in respect of services provided to customers and is accounted for on the accruals basis Revenue is only recognised when payment is probable

Revenue from services is recognised as the services are provided In respect of services invoiced in advance, amounts are deferred until provision of the service Revenue arising from the provision of other services, such as maintenance contracts, is recognised evenly over the periods in which the service is provided

Amounts payable by and to telecommunications operators for interconnection and transmission of content are recognised as the services are provided Charges are negotiated separately and are subject to continual review Revenue generated through the provision of these services is accounted for gross of any amounts payable to other telecommunications operators for interconnect fees In certain instances the Company uses estimates to determine the amount of income receivable from or payments to these other operators The prices at which these services are charged are sometimes regulated and may be subject to retrospective adjustment Estimates are used in assessing the likely impact of these adjustments In a similar way, the Company enters into supply agreements In certain instances it uses estimates of price or usage to determine the expense charged in any period These estimates are periodically adjusted to reflect actual pricing or usage as such information becomes available or is agreed with suppliers Credits and charges on adjustments to both interconnect and other supply arrangements are taken to operating profit in the year in which the adjustments are made

Notes to the financial statements

(continued)

1 Accounting policies *(continued)*

Revenue recognition *(continued)*
Revenue from sales of telecommunication equipment is recognised on delivery to, and acceptance by, the customer as this is when the transfer of both significant risks and rewards of ownership and control is deemed to occur

The total consideration on arrangements with multiple revenue-generating activities (generally the sale of telecom equipment and ongoing service) is allocated to those components that are capable of operating independently based on the estimated fair value of the components When the fair value of components cannot be assessed the revenue is spread over the term of the service

Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses The cost of fixed assets includes materials, direct labour and other incremental costs applicable to the design, construction and connection of the telecommunications networks and equipment

Depreciation is provided on the difference between the cost of tangible fixed assets and their estimated residual value in equal instalments over the estimated useful life of the assets These lives are

Plant and machinery	3 to 5 years
Leasehold assets	lease term

Leased assets
Where assets are financed by leasing agreements that give rights approximating to ownership, the assets are treated as if they had been purchased outright The amount capitalised is the present value of the minimum lease payments payable during the lease term The corresponding leasing commitments are shown as obligations to the lessor Lease payments are split between capital and interest elements using the annuity method Depreciation on the relevant assets and interest are charged to the profit and loss account

All other leases are operating leases and the annual rentals are charged to operating profit on a straight line basis over the lease term

Foreign currencies
Transactions are recorded in sterling at the rate of exchange ruling on the date of the transaction All monetary assets and liabilities are translated at the rates ruling at the Balance sheet date

The assets and liabilities of overseas branches are translated at the closing exchange rates Profit and loss account of such undertaking is translated at the average rates of exchange during the year Gains and losses arising on these translations are taken to reserves

All other exchange differences arising are dealt with through the Profit and loss account

Notes to the financial statements

(continued)

1 Accounting policies *(continued)*

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Pension scheme

Employees of the Company have access to a defined contribution pension scheme The assets of the scheme are held separately from those of the Company in an independently administered fund The amount charged to the profit and loss account is the cost of the contributions payable to the above scheme in respect of the accounting period

2 Turnover

The turnover, all of which arises in India, is attributable to one activity the provision of a customised telecommunications network service

3 Notes to the Profit and loss account

Profit on ordinary activities before taxation is stated after charging

	2014 £	2013 £
Operating lease charges	275,973	277,148
Auditor's remuneration - Audit of the company's annual financial statements	5,223	5,808
Auditor's remuneration - Other services, tax compliance	2,611	1,162
Foreign currency (gains)/losses	(234,920)	91,099
Loss on disposal of tangible fixed assets	5,860	-
Depreciation of owned assets	303,027	300,495

In addition to the above stated auditor's remuneration of the Indian Branch, the auditor's remuneration of £4,000 (2013 £4,000) for the audit of these financial statements has been borne by another group company

Notes to the financial statements

(continued)

4 Information regarding Directors and employees

The Company had an average of 654 employees including the Directors during the year (2013 545) One director received remuneration from the Company (2013 one) The emoluments of the other Director were borne by other group companies in the current and prior years

The Directors remuneration for the year was as follows

	2014	2013
	£	£
Director's remuneration		
Wages and salaries	54,735	60,517

The Company participates in a defined contribution scheme During the year, the Company paid £5,850 (2013 £1,626) into the scheme on behalf of one Director (2013 one)

	2014	2013
	£	£
Aggregate employee costs		
Wages and salaries	4,360,495	4,464,679
Other pension costs	335,796	302,934
	4,696,291	4,767,613

5 Interest receivable and similar income

	2014	2013
	£	£
Foreign exchange gains	234,920	-
Interest receivable from short term deposits	9,395	58,775
	244,315	58,775

Notes to the financial statements

(continued)

6 Interest payable and other similar charges

	2014 £	2013 £
Interest on loans from group undertakings	64,379	66,068
Other interest expense	22,354	-
Foreign exchange losses	-	91,099
	86,733	157,167

7 Taxation

Tax charge on profit on ordinary activities

	2014 £	2013 £
UK Corporation Tax at 23% (2013 24%)	252,710	189,059
Double taxation relief	(252,710)	(189,059)
UK Corporation Tax at 23% (2013 24%) after double tax relief	-	-
Foreign taxation		
Current overseas tax on income	424,614	286,092
Adjustments in respect of previous years	-	950,000
Total current tax charge	424,614	1,236,092
Foreign deferred tax		
Branch deferred taxation charge - current year	107,068	73,527
Total tax charge	531,682	1,309,619

Notes to the financial statements

(continued)

7 Taxation *(continued)*

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 23% (2013 24%) The actual tax charge for the current and previous year differs from the tax charge at the standard rate for the reasons set out in the following reconciliation

	2014 £	2013 £
Profit on ordinary activities before tax	795,920	517,266
Tax on profit on ordinary activities before tax at standard rate of 23% (2013 24%)	183,062	124,144
Factors affecting tax charge for the year:		
Depreciation in excess of capital allowances	69,648	72,110
Other timing differences	-	(7,195)
Adjustments in respect of previous years	-	950,000
Double tax relief	(252,710)	(189,059)
Overseas branch tax	424,614	286,092
Current tax charge for the year	424,614	1,236,092

A deferred tax asset of £891,659 (2013 £946,006) on timing differences resulting from depreciation in excess of capital allowances has not been recognised as it is not considered to be recoverable in the foreseeable future due to the Company transferring its trade and assets to Vodafone Global Services Pvt Ltd on 1 April 2014 (see note 16)

A previously recognised deferred tax asset on other timing differences (2013 £124,139) has been reversed in 2014 and has a nil balance carried forward (note 9)

Notes to the financial statements

(forming part of the financial statements)

8 Tangible assets

	Leasehold improvements £	Plant and machinery £	Assets under construction £	Total £
Cost or valuation				
At 1 April 2013	860,370	2,473,206	27,369	3,360,945
Exchange adjustment	(147,914)	(425,097)	(4,705)	(577,716)
Additions	-	108	699,941	700,049
Disposals	-	(6,032)	-	(6,032)
Transfers between categories	-	679,368	(679,368)	-
At 31 March 2014	712,456	2,721,553	43,237	3,477,246
Depreciation				
At 1 April 2013	728,831	1,784,704	-	2,513,535
Exchange adjustment	(127,211)	(316,825)	-	(444,036)
Charge for the year	47,945	255,082	-	303,027
Disposals	-	(172)	-	(172)
At 31 March 2014	649,565	1,722,789	-	2,372,354
Net book value				
At 31 March 2014	62,891	998,764	43,237	1,104,892
At 31 March 2013	131,539	688,502	27,369	847,410

Assets under construction are not depreciated

Included in the total net book value of tangible fixed assets is £333 (2013 £401) in respect of assets held under finance leases There was no depreciation charged on these assets for the current and prior year

Notes to the financial statements

(forming part of the financial statements)

9 Debtors

	2014 £	2013 £
Amounts falling due within one year:		
Amounts due from group undertakings	2,880,622	1,863,895
Other debtors	1,249,879	1,134,700
Prepayments and accrued income	209,806	771,355
	4,340,307	3,769,950
Amounts falling due after more than one year:		
Other debtors - security deposit	160,564	193,898
Foreign deferred tax assets (see note 7)	-	124,139
	160,564	318,037
	4,500,871	4,087,987

10 Creditors

	2014 £	2013 £
Amounts falling due within one year:		
Trade creditors	19,055	176,822
Overseas Corporation tax	2,065,190	1,884,746
Amounts owed to group undertakings	1,854,241	1,907,456
Other creditors	237,085	486,502
Accruals and deferred income	535,248	460,220
	4,710,819	4,915,746

Of the amounts due to group undertakings, £1,854,241 (2013 £1,907,456) bears interest at LIBOR plus 3 50% (2013 LIBOR plus 3 50%) The loans and any interest accrued thereon become repayable in full on the last day of each borrowing period or immediately upon demand of the lender

Notes to the financial statements
(continued)

11 Called-up share capital

Allotted, called up and fully paid shares

	2014		2013	
	No.	£	No.	£
Ordinary shares of £1 00 each	1,000,000	1,000,000	1,000,000	1,000,000

12 Reserves

	Profit and loss account £
At 1 April 2013	976,681
Profit for the financial year	264,238
Foreign currency translation	(788,163)
At 31 March 2014	452,756

13 Operating lease commitments

The annual operating lease commitments in respect of land and buildings payable, analysed according to the period in which the lease expires, are set out below

	2014 £	2013 £
Land and buildings		
Within one year	-	15,987

Notes to the financial statements

(continued)

14 Pension scheme

Employees of the Company have access to a defined contribution scheme The assets of the schemes are held separately from those of the Company in an independently administered fund The amounts charged to the profit and loss account include the cost of the contribution payable to the above scheme in respect of the accounting period

During the year these contributions amounted to £335,796 (2013 £302,934) At the year end, contributions of £45,632 (2013 £43,115) were payable by the Company to the pension scheme and are included within other creditors

15 Related party transactions

Under FRS 8, the Company is exempt from the requirement to disclose transactions with wholly owned entities that are part of the Vodafone Group, as all of the Company's voting rights are controlled within the Group There are no transactions with any other related parties

16 Post balance sheet events

On 1 April 2014, the Company transferred its trade and assets for a consideration of Rs 755 6m (£7 6m) to Vodafone Global Services Pvt Ltd, a fellow company within the Vodafone group

17 Ultimate parent company and controlling party

The Company's immediate parent company is Vodafone Enterprise Global Businesses Sarl, a company registered in Luxembourg

The Directors regard Vodafone Group Plc, a company registered in England and Wales, as the ultimate parent company and controlling party

The smallest and largest group in which the results of the Company are consolidated is that of Vodafone Group Plc, the parent company The consolidated financial statements of Vodafone Group Plc may be obtained from the Company Secretary, Vodafone Group Plc, Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN