

INDEPENDENT AUDITOR'S REPORT

To the Members of Vodafone Foundation

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Vodafone Foundation ("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 financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 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.

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

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Responsibility of Management for the Ind AS Financial Statements

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

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

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

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

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

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

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- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. The report does not contain a statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("Order") as, in our opinion, and according to information and explanations given to us, the Order is not applicable to the Company.
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;

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- (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;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;
- (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



per Nilangshu Katriar
Partner

Membership Number: 58814
UDIN: 21058814AAAABE2871

Place: Mumbai
Date: June 25, 2021

Annexure 1 to the Independent Auditor's Report of even date on the Ind AS Financial Statements of Vodafone Foundation

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

We have audited the internal financial controls over financial reporting of Vodafone Foundation ("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 Financial Statements

A Company's internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these 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 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: 21058814AAAABE2871

Place: Mumbai
Date: June 25, 2021

VODAFONE FOUNDATION
Financial Statements
For the year ended March 31, 2021

Vodafone Foundation

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	Notes	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
Financial assets			
Deposits with body corporate and others		10	10
Other non-current assets	6	1,686	889
Total non-current assets (A)		1,696	899
Current assets			
Financial assets			
Cash and cash equivalents	7	3,171	1,985
Bank balance other than cash and cash equivalents	8	580,259	500,133
Other current financial assets	9	91	-
Total current assets (B)		583,521	502,118
Total Assets (A+B)		585,217	503,017
Equity and Liabilities			
Equity			
Equity share capital	10	2	2
Other equity	11	(2,009)	(4,023)
Total equity (A)		(2,007)	(4,021)
Liabilities			
Current liabilities			
Financial liabilities			
Short term borrowings	12	5,200	5,200
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,797	2,521
Other current financial liabilities	13	577,059	498,886
Other current liabilities	14	1,168	431
Total current liabilities (B)		587,224	507,038
Total Equity and Liabilities (A+B)		585,217	503,017

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



For and on behalf of the Board of Directors of

Vodafone Foundation

Paulrajan Balaji

Paulrajan Balaji
Director
(DIN:02943481)

Place: New Delhi
Date: June 25, 2021



Venkatesh Viswanathan

Venkatesh Viswanathan
Director
(DIN:03122706)

Place: Mumbai
Date: June 25, 2021

Place: Mumbai
Date: June 25, 2021

Vodafone Foundation

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 Income and Expenditure for the year ended March 31, 2021

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Donations	15	421,057	425,369
Other operating income	16	-	215
Other income	17	2,015	1,818
Total income		423,072	427,402
Operating expenditure			
Donations		411,239	420,465
Employee benefit expenses	18	-	122
Advertisement and business promotion expenditure		848	-
Other expenses	19	8,971	4,812
Total expenditure		421,058	425,399
Excess of income over expenditure before finance costs and tax		2,014	2,003
Finance costs	20	-	293
Excess of income over expenditure / (excess of expenditure over income) before tax		2,014	1,710
Tax expense:			
- Current tax		-	-
- Deferred tax		-	-
Excess of income over expenditure / (excess of expenditure over income) after tax		2,014	1,710
Other comprehensive income / (loss)			
Items not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans		-	29
Other comprehensive income / (loss) for the year, net of tax		-	29
Total comprehensive income/(loss) for the year		2,014	1,739
Earnings / (loss) per equity share of ₹ 10 each:	23		
Basic (₹)		-	-
Diluted (₹)		-	-


The accompanying notes are an integral part of the Financial Statements

As per our report of even date

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



Nilangshu Katriar
Partner
Membership No.: 58814




Pautrajan Balaji
Director
(DIN:02943481)

Place: New Delhi
Date: June 25, 2021

For and on behalf of the Board of Directors of
Vodafone Foundation


Venkatesh Viswanathan
Director
(DIN:03122706)

Place: Mumbai
Date: June 25, 2021

Place: Mumbai
Date: June 25, 2021

Vodafone Foundation

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
As at April 1, 2019	200	2
Issue of share capital	-	-
As at March 31, 2020	200	2
Issue of share capital	-	-
As at March 31, 2021	200	2

B. Other equity

Particulars	Retained earnings
As at April 1, 2019	(5,762)
Excess of expenditure over income for the year ended March 31, 2020	1,710
Other comprehensive income/(loss) for the year ended March 31, 2020	29
As at March 31, 2020	(4,023)
Excess of income over expenditure for the year ended March 31, 2021	2,014
Other comprehensive income/(loss) for the year ended March 31, 2021	-
As at March 31, 2021	(2,009)

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




Paulrajan Balaji
Director
(DIN:02943481)

For and on behalf of the Board of Directors of
Vodafone Foundation


Venkatesh Viswanathan
Director
(DIN:03122706)

Place: Mumbai
Date: June 25, 2021

Place: New Delhi
Date: June 25, 2021

Place: Mumbai
Date: June 25, 2021

Vodafone Foundation

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
Operating activities		
Excess of income over expenditure/ (expenditure over income) before tax	2,014	1,710
Adjustments to reconcile excess of expenditure over income before tax to net cash flows:		
Finance costs	-	293
Provision for gratuity and compensated absences	-	(12)
Liabilities / provisions no longer required written back	-	(215)
Interest income	(2,015)	(1,818)
Working capital adjustments		
(Increase) in financial assets	(80,126)	(207,841)
Increase in trade payables	1,276	1,030
Increase in other financial and non-financial liabilities	78,910	206,233
Cash flows (used in) operating activities	59	(620)
Income tax paid (including TDS) (net)	(787)	(839)
Net cash flows (used in) operating activities	(728)	(1,459)
Investing activities		
Interest received	1,914	2,436
Net cash flows from investing activities	1,914	2,436
Financing activities		
Payment of interest	-	(16)
Net cash flows (used in) financing activities	-	(16)
Net increase in cash and cash equivalents during the year	1,186	961
Cash and cash equivalents at the beginning of the year	1,985	1,024
Cash and cash equivalents at the end of the year (refer note 7)	3,171	1,985

1. Disclosure of changes in liabilities arising from financing activities on account of non-cash transactions

Particulars	Short term borrowings	Interest accrued but not due
Balance as at April 1, 2019	5,200	1,417
(i) Cash flow Items		
Payment of Interest and finance charges	-	(16)
(ii) Non - cash items		
Finance cost accrued (charged to profit and loss)	-	293
Balance as at March 31, 2020	5,200	1,694
(i) Cash flow Items		
Payment of Interest and finance charges	-	-
(ii) Non - cash items		
Finance cost accrued (charged to profit and loss)	-	-
Balance as at March 31, 2021	5,200	1,694

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

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

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

Nilangshu Katriar

Nilangshu Katriar

Partner

Membership No.: 58814



For and on behalf of the Board of Directors of
Vodafone Foundation

Paulrajan Balaji

Paulrajan Balaji

Director

(DIN:02943481)

Venkatesh Viswanathan

Venkatesh Viswanathan

Director

(DIN:03122706)

Place: Mumbai

Date: June 25, 2021

Place: New Delhi

Date: June 25, 2021

Place: Mumbai

Date: June 25, 2021

Vodafone Foundation

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

Vodafone Foundation (herein referred to as "VF" or "the Company"), a not for profit company, and a wholly owned subsidiary of Vodafone Idea Limited ('VIL') was incorporated on May 23, 2008 under the provisions of the Companies Act, 1956 applicable in India. The Company had been granted a license under Section 25 of the erstwhile Companies Act, 1956 by Government of India, vide its letter No. RD / S.25(i)/1/ 09/ 4306 dated May 21, 2008. The Company is registered under Section 12AA of the Income Tax Act, 1961 vide Registration no. 49056 granted w.e.f. April 1, 2016 vide letter dated February 21, 2017. The Company is also registered for exemption under Section 80G of the Income Tax Act, 1961 vide Registration no. CIT(E)/80G/2118(A)/2016-17 letter dated March 15, 2017. Pursuant to the enactment of Companies Act, 2013 and Section 135 of the Companies Act, 2013, the Company, is an implementing agency and carries out Corporate Social Responsibility ('CSR') activities as per CSR policy adopted by VIL and its subsidiaries, associates, joint ventures, promoter group companies of VIL and subsidiaries of Vodafone Group plc in line with the Schedule VII of the Companies Act, 2013. The Company primarily focuses on CSR activities that includes promoting and development of (a) education, (b) financial literacy, (c) empowerment of women, (d) healthcare, (e) environment, (f) eradication of poverty, (g) improving socio-economic condition of farmers. The registered office of the Company is at 10th floor, Birla Centurion, Century Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai – 400030, India.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on June 25, 2021.

2. Statement of compliance

The financial statements of the Company comprising of Balance Sheet, Statement of Income and Expenditure, 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.

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) Donations

Donations received with restrictions as to use are recognised in the statement of income and expenditure account as income in the year of utilisation and as at balance sheet date, the unutilised amount is represented by 'Restricted funds'. These donations are subject to certain restrictions set out by the contributor and agreed upon by the Company when accepting the contribution.

Donations received for which there are no restrictions as to use are recognised in the statement of income and expenditure account as income in the year of receipt.

Donations received with stipulation as to corpus are credited to corpus fund in the Balance Sheet. Such donations are transferred to Statement of Income and Expenditure as per the direction of the management for carrying out the activities of the Company. Interest income generated from assets held in corpus fund is also credited to corpus fund.

b) Employee benefits

i. Defined Contribution Plan

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

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



Vodafone Foundation

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

ii. Defined Benefit Plan

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

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

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

- Service costs; and
- Net interest expense or income

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

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

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

c) Foreign currency transactions

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

d) Taxes

Company has been granted exemption from income tax under section 12A read with section 12AA of the Income tax act, 1961.

e) 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.

A liability is classified as current when;

- It is expected to be settled in the normal operating cycle of the respective companies;
- It is held primarily for the purposes of trading;
- It is expected to be settled within twelve months after the reporting period; or
- 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.



Vodafone Foundation

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

f) Borrowing Costs

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

g) 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.

h) 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 income and expenditure.

i. Financial assets

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

Subsequent measurement

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

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

Financial assets measured at amortised cost

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

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

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

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



Vodafone Foundation

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

Derecognition

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

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

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 income and expenditure 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 income and expenditure.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. In case, an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in Statement of Income and Expenditure.

v. 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.

i) Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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



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Notes to Financial Statements

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.

j) 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.

k) 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 income and expenditure.

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.

l) 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 are 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.

a) 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.



Vodafone Foundation

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Notes to Financial Statements

b) 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 these financial statements.

Note 6

Other non-current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Advance income tax (TDS recoverable)	1,686	889
Total	1,686	889

Note 7

Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks in current accounts	3,171	1,985
Total	3,171	1,985

Note 8

Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Earmarked balances with banks ¹ (refer note 26 & 27)		
- In current accounts	5,259	500,133
- In fixed deposits	575,000	-
Total	580,259	500,133

¹ Represents amount to be spent towards CSR activities.

Note 9

Other current financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Interest receivable	91	-
Total	91	-



Vodafone Foundation

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

Notes to Financial Statements

Note 10

Equity share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Numbers	Amount	Numbers	Amount
EQUITY SHARE CAPITAL				
Authorised share capital				
Equity Shares of ₹ 10 each	10,000	100	10,000	100
	10,000	100	10,000	100
Issued, subscribed and paid-up share capital				
Equity Shares of ₹ 10 each fully paid up	200	2	200	2
	200	2	200	2

(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	200	2	200	2
Issue of share capital	-	-	-	-
Equity shares outstanding at the end of the year	200	2	200	2

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

The Company has issued single class of equity shares having par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. As the Company is a private company limited by shares formed under section 8 of the Companies Act, 2013, no dividend is to be proposed and paid to the shareholders. In the event of winding up or dissolution of the Company, after the satisfaction of all its debts and liabilities, any property whatsoever shall be given or transferred to such other body having objects similar to the objects of the Company, to be determined by the members of the Company at or before the time of dissolution or in default thereof by the High Court of Judicature that has or may acquire jurisdiction in the matter.

(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
Equity shares of ₹ 10 each fully paid				
Vodafone Idea Limited, the holding company and its nominees	200	100%	200	100%



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Financial Statements for the year ended March 31, 2021

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Notes to Financial Statements

Note 11

Other Equity

Particulars	As at March 31, 2021	As at March 31, 2020
Retained Earnings		
Opening balance	(4,023)	(5,762)
Excess of income over expenditure / (excess of expenditure over income) for the year	2,014	1,710
Other Comprehensive Income/ (Loss) recognised directly in retained earnings	-	29
Closing balance	(2,009)	(4,023)

Note 12

Short term borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured Loans		
Loan from related parties (refer note 24) ¹	5,200	5,200
Total	5,200	5,200

¹ The interest rate is Nil (March 31, 2020 : Nil effective January 1, 2020, prior to which interest @ 7.5 % was charged)

Note 13

Other current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Restricted funds ¹	120,513	170,272
Corpus funds ¹	454,852	326,920
Interest accrued on borrowings	1,694	1,694
Total	577,059	498,886

¹ represents unused grant balance for specified objects received from related parties (refer note 26 & 27)

Note 14

Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Taxes and other liabilities	1,168	431
Total	1,168	431

Note 15

Donations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
- On utilisation of restricted funds (including amount referred in note 24 & refer note 26)	394,293	425,369
- On utilisation of corpus funds (Refer note 27)	26,764	-
Total	421,057	425,369



Vodafone Foundation

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 operating income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Liabilities no longer required written back (refer note 25)	-	215
Total	-	215

Note 17

Other income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income	2,015	1,818
Total	2,015	1,818

Note 18

Employee benefit expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	-	57
Contribution to provident and other funds (refer note 21)	-	2
Staff welfare	-	63
Total	-	122

Note 19

Other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Bank charges	3	-
Legal and professional charges	4,931	2,352
Audit fees (refer note 22)	354	318
Business process outsourcing cost	394	2,133
Support service charges (including amount referred in note 24)	3,289	-
Miscellaneous Expenses (refer note 22)	-	9
Total	8,971	4,812

Note 20

Finance costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense on borrowings (refer note 24)	-	293
Total	-	293



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Notes to Financial Statements

Note 21

Employee Benefits

A. Defined Benefit Plan (Gratuity)

General description and benefits of the plan

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

Regulatory framework, funding arrangement and governance of the Plan

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

Inherent risks

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

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

Sr. No	Particulars	As at March 31, 2021	As at March 31, 2020
1	Reconciliation of Net Defined Benefit Obligation		
	Opening Net Defined Benefit liability	-	29
	Expense charged to statement of income and expenditure	-	-
	Expense charged to OCI	-	(29)
	Closing Net Defined Benefit liability	-	-
2	Reconciliation of Defined Benefit Obligation		
	Opening Defined Benefit Obligation	-	29
	Current Service cost	-	-
	Interest on Defined Benefit Obligation	-	-
	Actuarial (Gain)/Loss arising from change in financial assumptions	-	-
	Actuarial (Gain)/Loss arising from change in demographic assumptions	-	-
	Actuarial (Gain)/Loss arising on account of experience changes	-	(29)
	Closing Defined Benefit Obligation	-	-

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

Sr. No	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1	Expenses Recognised in the Statement of Profit & Loss		
	Current Service cost	-	-
	Interest on Net Defined Benefit liability	-	-
	Expenses recognised in the Statement of Profit & Loss	-	-
2	Amount recorded as Other Comprehensive Income (OCI)		
	Re measurement during the year due to		
	- Changes in financial assumptions	-	-
	- Changes in demographic assumptions	-	-
	- Experience adjustments	-	(29)
	Amount recognised in OCI	-	(29)

B. Defined contribution plans:

During the year, the Company has recognised the following amounts in the statement of income and expenditure:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employers' contribution to provident and other fund	-	2



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Notes to Financial Statements

Note 22

Auditor's Remuneration

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Statutory audit fees	354	318
Out of pocket expenses (included in Misc. Expenses)	-	9
Total Remuneration	354	327

Note 23

Basic & Diluted Earnings/(Loss) per Share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Nominal value of per equity share ₹	10	10
Excess of income over expenditure / (excess of expenditure over income) after Tax	2,014	1,710
Excess of income over expenditure / (excess of expenditure over income) attributable to equity shareholders	-	-
Weighted average number of equity shares outstanding during the year	200	200
Basic and diluted earnings per share	-	-

Note 24

Related party transactions

The Group has transactions with the below related parties:

Relationship	Related Party
Holding Company	Vodafone Idea Limited
Holding Company's joint venture	Indus Towers Limited ¹ (Till November 18, 2020)
Fellow Subsidiary	Vodafone Idea Shared Services Limited w.e.f August 29, 2019 (formerly Vodafone India Ventures Limited)
	Cable & Wireless Networks India Private Limited
Entities having significant influence [includes Subsidiaries of the entity to which the Holding company of the Company is a JV]	Vodafone UK Foundation
	Vodafone Global Services Private Limited
	Vodafone India Services Private Limited
Promoter group of Holding Company	Omega Telecom Holdings Private Limited

¹ Indus Towers Limited ("Indus") (a joint venture of the Company) merged with and into Bharti Infratel Limited ("BIL") effective from November 19, 2020

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

Particulars	Holding company	Fellow subsidiary	Holding company's joint venture	Promoter group of holding company	Entities having significant influence
Interest on borrowings	-	-	-	-	-
	(293)	-	-	-	-
Purchase of Services	-	755	-	-	-
	-	-	-	-	-
Expense incurred on Company's behalf by	2,792	-	-	-	-
	(1,278)	-	-	-	-
Donations received	272,700	-	145,000	-	71,834
	(363,600)	(866)	(198,269)	(947)	(61,282)

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



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Financial Statements for the year ended March 31, 2021

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Notes to Financial Statements

B. Balances with Related Parties

Particulars	Holding company	Fellow subsidiary
Interest Accrued but not due	1,694	-
	(1,694)	-
Outstanding loan payable	5,200	-
	(5,200)	-
Trade and Other Payables	2,488	834
	(247)	-

(Figures in bracket are as on March 31, 2020)

Note 25

Other Matters

During the financial year 2015-2016, the Company has made a provision of ₹ 215 representing the maximum penalty leviable under the Foreign Contribution Regulation Act, 2010 (FCRA) for accepting loans from Vodafone India Limited (VIL) (which was a "foreign source" under the FCRA at the relevant times when the loans were advanced) in contravention of the FCRA, as then applicable. When the contravention was identified in 2015, the Company made a compounding application to the Ministry of Home Affairs (MHA). Separately, the Company also applied to the MHA for registration under the FCRA and such registration was granted on 24 June 2019.

Pending the disposal of its compounding application, the FCRA was amended with retrospective effect such that VIL was no longer considered a "foreign source" for the purposes of the FCRA. As the amendment applied with retrospective effect to the period when the loans were received by the Company, there was, in fact, no contravention of the FCRA by the Company which is evidenced by the grant of registration to the Company by the MHA as aforesaid. Accordingly, the Company has written back provision of ₹ 215 during the year ended March 31, 2020.

Note 26

Movement of Restricted Funds

Restricted Funds (Purpose)	Opening balance as at April 1, 2020	Reallocation during the year	Additions (Donations received during the year)	Utilisation during the year ¹	Closing balance as at March 31, 2021
Donation for Financial Literacy programme	2,171	-	20,000	22,000	171
Donation for scholarships and education programme through technology in classrooms	71,071	523	133,388	114,682	90,300
Donation for scholarships and education programme through technology in classrooms (Assets)	4,410	-	-	4,410	-
Covid 19	12,800	452	14,000	13,252	14,000
Preventive Health care	-	-	7,800	7,800	-
Digital Village	-	-	27,500	27,500	-
Empowerment - Connecting for Good	-	-	15,500	10,000	5,500
Smart Agriculture	-	-	112,294	112,294	-
Scholarship	68,204	-	5,985	69,838	4,351
Overhead	11,616	(975)	5,258	9,728	6,171
Covid 19 (FCRA)	-	-	2,700	2,700	-
Overhead (FCRA)	-	-	109	89	20
Total	170,272	-	344,534	394,293	120,513

¹ Utilisation during the year includes accruals for the year.



Vodafone Foundation

Financial Statements for the year ended March 31, 2021

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Notes to Financial Statements

Note 27

Movement of Corpus Funds

Particulars	Opening balance as at April 1, 2020	Additions (Donations received during the year)	Utilisation during the year	Closing balance as at March 31, 2021
Corpus donation	318,269	145,000	12,073	451,196
Interest accrued	8,651	9,696	14,691	3,656
Total	326,920	154,696	26,764	454,852

The Company has received the corpus donation from Indus Towers Limited ('Indus') to be utilized for programs on education, financial literacy, empowerment of women, healthcare, eradication of poverty & improving socio economic condition of farmers. The Company during the year has utilized Corpus Grant of ₹ 26,764 towards education program. The Company is regularly submitting statements to Indus showing utilization and unspent amount as per the terms of the corpus agreements and is in continuous discussion with Indus to finalize the plan for utilization of unspent amount on various programs. The Company is compliant with applicable CSR laws for utilization and unspent amount pertaining to Corpus Grant.

Note 28

Financial instruments

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

Particulars	As at March 31, 2021	As at March 31, 2020
	Amortised Cost	
Financial Assets		
Cash and cash equivalents	3,171	1,985
Bank balance other than cash and cash equivalents	580,259	500,133
Interest receivable	91	-
Total Financial Assets	583,521	502,118

Particulars	As at March 31, 2021	As at March 31, 2020
	Amortised Cost	
Financial Liabilities		
Short term borrowings including Interest accrued but not due	6,894	6,894
Trade Payables	3,797	2,521
Restricted funds	120,513	170,272
Corpus funds	454,852	326,920
Total Financial Liabilities	586,056	506,607

(b) Fair value hierarchy

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

Note 29

Financial risk management objectives and policies

The Company's principal financial liabilities comprise of corpus fund and restricted fund. The Company's principal financial assets comprise bank balance.

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



Vodafone Foundation

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Notes to Financial Statements

Market risk

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

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no exposure to the risk of changes in market interest as the Company has borrowed loan from Holding Company with nil interest rate.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument, leading to a financial loss.

- Other financial assets and cash deposits

Credit risk from balances with banks is managed by treasury department of the holding company.

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

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 as disclosed in notes 8 and 9.

c) Liquidity risk

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

The Company has necessary support from the immediate holding company to maintain adequate liquidity for settling its liabilities as and when they arise.

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

Particulars	Carrying Value	Less than 1 year	1 to 5 years	> 5 years	Total payments
As at March 31, 2021					
Borrowings and Interest thereon ¹	6,894	6,894	-	-	6,894
Trade and other payables	3,797	3,797	-	-	3,797
Corpus funds	454,852	454,852	-	-	454,852
Restricted funds	120,513	120,513	-	-	120,513
	586,056	586,056	-	-	586,056
As at March 31, 2020					
Borrowings and Interest thereon ¹	6,894	6,894	-	-	6,894
Trade and other payables	2,521	2,521	-	-	2,521
Corpus funds	326,920	326,920	-	-	326,920
Restricted funds	170,272	170,272	-	-	170,272
	506,607	506,607	-	-	506,607

¹ Interest accrued but not due of ₹ 1,694 thousands (March 31, 2020: ₹ 1,694 thousands) has been excluded from other financial liabilities and included in borrowings and interest thereon.



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

Notes to Financial Statements

Note 30

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

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


Nilangshu Katriar
Partner
Membership No.: 58814




Paulrajan Balaji
Director
(DIN:02943481)

For and on behalf of the Board of Directors of
Vodafone Foundation




Venkatesh Viswanathan
Director
(DIN:03122706)

Place: Mumbai
Date: June 25, 2021

Place: New Delhi
Date: June 25, 2021

Place: Mumbai
Date: June 25, 2021