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29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
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INDEPENDENT AUDITOR'S REPORT

To the Members of Vodafone Idea Shared Services Limited (Formerly known as Vodafone India Ventures Limited)

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Vodafone Idea Shared Services Limited (Formerly known as Vodafone India Ventures Limited) ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 45 in the financial statements, which states that the Company's current liabilities exceeded its current assets by Rs 4,933 lakhs. Further, Company's business operations are dependent on its holding company. These conditions indicate the existence of material uncertainty on the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is largely dependent upon the holding company's ability to continue as going concern. Our opinion is not modified in respect of this matter.

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 standalone 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.

Responsibility of Management for the Ind AS Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are
- inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) The going concern matter described in the section Material Uncertainty Related to Going Concern, in our opinion, may have an adverse effect on the functioning of the Company.

(f) 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;

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;

(h) 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;

(i) 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

Nilangshu Katriar

per Nilangshu Katriar
Partner
Membership Number: 58814
UDIN: 21058814AAAAAU8506

Place: Mumbai
Date: June 26, 2021

Annexure 1 to the Independent Auditor's Report

Annexure referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements'

Re: Vodafone Idea Shared Services Limited ('the Company') (Formerly known as Vodafone India Ventures Limited)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have been physically verified by the management during the year in accordance with the planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (the "Act"). Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no investments, loans, guarantees and securities given in respect of which provisions of section 185 and section 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Act, for the services of the Company.

(vii) (a) The Company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other material statutory dues applicable to it. The provisions relating to sales tax, value added tax, duty of customs and duty of excise are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, duty of custom, value added tax, goods and service tax and cess which have not been deposited on account of any dispute.

(viii) The Company did not have any outstanding loans or borrowings due in respect of a financial institution or bank or to government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans, hence, reporting under clause (ix) of the Order is not applicable to the Company and not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the Company. Accordingly, reporting under clause 3(xi) of the Order are not applicable to the Company and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 is not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Nilangshu Katriar

per Nilangshu Katriar
Partner
Membership Number: 58814
UDIN: 21058814AAAAAU8506

Place: Mumbai
Date: June 26, 2021

Annexure 2 to the Independent Auditor's report of even date on the Ind AS Financial Statements of Vodafone Idea Shared Services Limited (Formerly known as Vodafone India Ventures Limited)

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

We have audited the internal financial controls over financial reporting of Vodafone Idea Shared Services Limited (Formerly known as Vodafone India Ventures Limited) ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 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

Nilangshu Katriar

per Nilangshu Katriar
Partner
Membership Number: 58814
UDIN: 21058814AAAAAU8506

Place: Mumbai
Date: June 26, 2021

VODAFONE IDEA SHARED SERVICES LIMITED

(Formerly known as Vodafone India Ventures Limited)

Financial Statements

For the year ended March 31, 2021

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

Balance Sheet as at March 31, 2021

Particulars	Note	As at March 31, 2021	As at March 31, 2020
Non-current assets			
Property, plant and equipment (including RoU Assets)	6	774	1,145
Intangible assets	7	6,482	10,150
Financial assets			
Deposits with body corporate and others		184	181
Other non-current assets	8	441	3,047
Total non-current assets (A)		**7,881**	**14,523**
Current assets			
Financial assets			
Trade receivables	9	1,755	324
Cash and cash equivalents	10	2,421	76
Loan to holding company (refer note 38)		3,200	-
Other current financial assets	11	66	449
Other current assets	12	632	927
Total current assets (B)		**8,074**	**1,776**
Total Assets (A+B)		**15,955**	**16,299**
Equity and Liabilities			
Equity			
Equity share capital	13	200	200
Other equity	14	1,060	364
Total equity (C)		**1,260**	**564**
Liabilities			
Non-current liabilities			
Financial liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	21
Other non-current financial liabilities	15	440	742
Long term provisions	16	1,030	672
Deferred tax liabilities (net)	36	218	386
Total non-current liabilities (D)		**1,688**	**1,821**
Current liabilities			
Financial liabilities			
Short term borrowings	17	-	1,244
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	18	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Including amount referred in note 38)		998	922
Other current financial liabilities	19	11,597	11,360
Other current liabilities	20	247	294
Short term provisions	21	165	94
Total current liabilities (E)		**13,007**	**13,914**
Total Equity and Liabilities (C+D+E)		**15,955**	**16,299**

The accompanying notes are an integral part of the Financial Statements

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

Nilangshu Katriar

Nilangshu Katriar
Partner
Membership No.: 58814

Place : Mumbai
Date : June 26, 2021

S.R. BATLIBOI & ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of Vodafone Idea Shared Services Limited

Venkatesh Viswanathan
Director
(DIN: 03122706)

GVAS Murthy
Director
(DIN: 08920194)

VODAFONE IDEA SHARED SERVICES LIMITED

Place : Mumbai
Date : June 26, 2021

Vodafone Idea Shared Services Limited
(Formerly known as Vodafone India Ventures Limited)
Financial Statements for the year ended March 31, 2021
(All amounts are in INR lakhs, except per share data and unless stated otherwise)

Statement of Profit and Loss for the year ended March 31, 2021

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Service revenue (refer note 38)		13,944	13,577
Other operating income	22	-	31
Revenue from operations		**13,944**	**13,608**
Other income	23	315	9
Total income		**14,259**	**13,617**
Operating Expenditure			
Employee benefit expenses	24	8,129	7,181
Other expenses	25	1,045	1,399
Total expense		**9,174**	**8,580**
Profit / (Loss) before finance costs, depreciation, amortisation, exceptional items and tax		**5,085**	**5,037**
Finance costs	26	486	989
Depreciation	6	361	529
Amortisation	7	3,661	3,603
Profit / (Loss) before exceptional items & tax		**577**	**(84)**
Exceptional items	27	(2)	-
Profit / (Loss) before tax		**579**	**(84)**
Tax expense:			
- Current tax	35	148	(1)
- Deferred tax	35 & 36	(196)	41
Profit / (Loss) after tax		**627**	**(124)**
Other comprehensive Income / (Loss)			
Items not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) of defined benefit plans	31	97	(196)
Income tax effect	35 & 36	(28)	57
Other comprehensive Income / (Loss) for the year, net of tax		**69**	**(139)**
Total comprehensive Income / (Loss) for the year		**696**	**(263)**
Earnings / (Loss) per equity share of ₹ 10 each:	37		
Basic (₹)		**31.35**	**(6.20)**
Diluted (₹)		**31.35**	**(6.20)**

The accompanying notes are an integral part of the Financial Statements

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

Nilangshu Katriar
Partner
Membership No.: 58814

Place : Mumbai
Date : June 26, 2021

For and on behalf of the Board of Directors of Vodafone Idea Shared Services Limited

Venkatesh Viswanathan
Director
(DIN: 03122706)

GVAS Murthy
Director
(DIN: 08920194)

Place : Mumbai
Date : June 26, 2021

(All amounts are in INR lakhs, 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	2,000,000	200
Issue of share capital	-	-
As at March 31, 2020	2,000,000	200
Issue of share capital	-	-
As at March 31, 2021	**2,000,000**	**200**

B. Other equity

Particulars	Retained earnings
As at April 1, 2019	**627**
Profit/(Loss) for the year ended March 31, 2020	(124)
Other comprehensive income/(loss) for the year ended March 31, 2020	(139)
As at March 31, 2020	**364**
Profit/(Loss) for the year ended March 31, 2021	627
Other comprehensive income/(loss) for the year ended March 31, 2021	69
As at March 31, 2021	**1,060**

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

S.R. Batliboi & Associates LLP MUMBAI Chartered Accountants

Place : Mumbai
Date : June 26, 2021

For and on behalf of the Board of Directors of
Vodafone Idea Shared Services Limited

Venkatesh V.

Venkatesh Viswanathan
Director
(DIN: 03122706)

GVAS Murthy
Director
(DIN: 08920194)

Vodafone Idea Shared Services Limited

Place : Mumbai
Date : June 26, 2021

Vodafone Idea Shared Services Limited

(Formerly known as Vodafone India Ventures Limited)
Financial Statements for the year ended March 31, 2021
(All amounts are in INR lakhs, 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		
Profit / (Loss) before tax	579	(84)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment (including RoU assets)	361	529
Amortisation of intangible assets	3,661	3,603
Share-based payment expenses	-	(6)
Loss/(Gain) on disposal of property, plant and equipment and intangible assets (net)	11	-
Liabilities / provisions no longer required written back	-	(31)
Finance costs	486	989
Provision for gratutity and compensated absences	526	88
Interest income	(306)	-
Working capital adjustments		
(Increase)/Decrease in trade receivables	(1,431)	604
Decrease in other financial and non-financial assets	713	168
Increase/(Decrease) in trade payables	55	(1,879)
(Decrease) in other financial and non-financial liabilities	(47)	(44)
Cash flows from operating activities	4,608	3,937
Income tax refund/ (paid) (including TDS) (net)	2,714	(1,451)
Net cash flows from operating activities	**7,322**	**2,486**
Investing activities		
Purchase of property, plant and equipment and intangible assets	(39)	(868)
Loan given to holding company	(3,200)	-
Interest received	12	-
Net cash flows (used in) investing activities	**(3,227)**	**(868)**
Financing activities		
Payment of interest and finance charges	(173)	(30)
Repayment of long term borrowings	(1)	-
Repayment of short term borrowings	(1,244)	(2,000)
Payment of lease liabilities including interest	(332)	(316)
Net cash flows (used in) / from financing activities	**(1,750)**	**(2,346)**
Net (Decrease) / Increase in cash and cash equivalents	**2,345**	**(728)**
Cash and cash equivalents at the beginning of the year	76	804
Cash and cash equivalents at the end of the year (Refer Note 10)	**2,421**	**76**

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

VODAFONE IDEA SHARED SERVICES LIMITED

Vodafone Idea Shared Services Limited
(Formerly known as Vodafone India Ventures Limited)
Financial Statements for the year ended March 31, 2021
(All amounts are in INR lakhs, except per share data and unless stated otherwise)

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	Lease liabilities
Restated balance as at April 1, 2019	3,244	20	1,224
(i) Cash flow Items			
Payment of Interest and finance charges	-	(30)	-
Repayment of short term borrowings	(2,000)	-	-
Payment of lease liabilities including interest	-	-	(316)
(ii) Non - cash items			
Finance cost accrued (charged to profit and loss)	-	183	-
Disposals	-	-	(13)
Interest on lease liabilities	-	-	107
Balance as at March 31, 2020	**1,244**	**173**	**1,002**
(i) Cash flow Items			
Payment of Interest and finance charges	-	(173)	-
Repayment of short term borrowings	(1,244)	-	-
Payment of lease liabilities including interest	-	-	(332)
(ii) Non - cash items			
Interest on lease liabilities	-	-	84
Balance as at March 31, 2021	**-**	**-**	**754**

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

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

Place : Mumbai
Date : June 26, 2021

For and on behalf of the Board of Directors of Vodafone Idea Shared Services Limited

Venkatesh V.

Venkatesh Viswanathan
Director
(DIN: 03122706)

GVAS Murthy
Director
(DIN: 08920194)

VODAFONE IDEA SHARED SERVICES LIMITED

Place : Mumbai
Date : June 26, 2021

Notes to Financial Statements

1. Corporate Information

Vodafone Idea Shared Services Limited (Formerly known as Vodafone India Ventures Limited) (herein after referred to as "VISSL" or "the Company"), a wholly owned subsidiary of Vodafone Idea Limited ('VIL') was incorporated on October 29, 2016 under the provisions of the Companies Act applicable in India. The registered office of the Company is situated at 10th Floor, Birla Centurion, Century Mills Compound, Panduran Budhkar Marg, Worli, Mumbai – 400 030, India.

The Company is an outsourcing hub for finance and accounts, human resources, supply chain management, credit & collection support, customer support and catering to the Information Technology (IT) needs for data consolidation, back end IT supports for Vodafone Idea Limited and its subsidiary Companies ('Group) the Group. The Company had set up its facilities at Ahmedabad and Pune locations.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on June 26, 2021.

2. Statement of compliance

The financial statements of the Company comprising of Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows together with the notes have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

3. Basis of preparation

The financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services on the transaction date.

All financial information presented in INR has been rounded off to lakhs unless otherwise stated.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act, 2013.

4. Significant Accounting Policies

a) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and can be reliably measured, regardless of the timing of receipt of payment. Revenue is measured at the "Transaction Price" i.e. an amount that reflects the consideration, to which an entity expects to be entitled in exchange for transferring services to customers, excluding amounts collected on behalf of third parties. Taxes and duties collected by the service provider are to be deposited with the government and not received by the company on its own account. Accordingly, it is excluded from revenue.

i. Service Revenue

Revenue is recognised as and when services are rendered and related costs are incurred.

ii. Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is recorded using the applicable Effective Interest Rate (EIR), which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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b) Leases

Leases accounted under Ind AS 116

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and Right-of-use assets representing the right to use the underlying assets. The Company's lease asset classes primarily consist of leases for immovable properties.

i) Right-of-use assets

The Company recognises Right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of Right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The Right-of-use assets are also subject to impairment (Refer Note 4(i)).

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable and variable lease payments that depend on an index or a rate. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification i.e. a change in the lease term or a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. The re-measurement is of lease liability is done by discounting the revised lease payments using the Company's incremental borrowing rate at the effective date of modification.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

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Operating lease:

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue. Contingent rentals arising, if any, under operating leases are recognised as an expense in the period in which they are incurred.

c) Employee benefits

i. Defined Contribution Plan

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

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

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 Profit and Loss 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 Profit and Loss:

- Service costs; and
- Net interest expense or income

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

A liability is recognised for benefits accruing to employees in respect of salaries, wages, Long Term Incentive Plan (LTIP) 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 Profit and Loss in the period in which they arise.

iv. Share- based payments

Stock option of Vodafone Group Plc (VGPLc) granted to the employees of the Company are accounted as cash-settled share based payments by the Company.

The fair value of the cash settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of stock option that will eventually vest, with a corresponding increase in liability. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the cash-settled employee benefits liability.

In respect of cancellation of unvested stock options, the amount already charged as share based payment expense is reversed under the same head in the Statement of Profit and Loss.

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d) Foreign currency transactions

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.
Transactions in foreign currencies are initially recorded at the INR spot rate on the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange on the reporting date.
Exchange differences arising on settlement or translation of monetary items are recognised on net basis within finance cost in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recognised using the exchange rates at the dates of the initial transactions.

e) Taxes

Income tax expense represents the sum of current tax and deferred tax.

i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax is based on the taxable income and calculated using the applicable tax rates and tax laws. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in OCI or directly in equity.

ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at the end of each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation statute.

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f) Current / Non – Current Classification

An asset is classified as current when

a) It is expected to be realized or consumed in the respective company's normal operating cycle;

b) It is held primarily for the purpose of trading;

c) It is expected to be realized within twelve months after the reporting period; or

d) If it is cash or cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Any asset not conforming to the above is classified as non-current.

A liability is classified as current when

a) It is expected to be settled in the normal operating cycle of the respective companies;

b) It is held primarily for the purposes of trading;

c) It is expected to be settled within twelve months after the reporting period; or

d) The respective companies have no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Any liability not conforming to the above is classified as non-current.

g) Property, Plant and Equipment

Property, Plant and Equipment (PPE) and Capital work in progress (CWIP) held for use in the rendering of services and supply of goods, or for administrative purposes, are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all direct costs relating to acquisition and installation of Property, Plant and Equipment, non-refundable duties and borrowing cost relating to qualifying assets. CWIP represents cost of property, plant and equipment not ready for intended use as on the reporting date. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Depreciation commences once such assets are available for use in the intended condition and location. Depreciation is provided using straight-line method on pro rata basis over their estimated useful economic lives as given below. The useful life is taken as prescribed in Schedule II to the Companies Act, 2013 except where the estimated useful economic life has been assessed to be lower.

Particulars	Estimated useful life (in years)
Leasehold Improvements	Period of lease or 10 years whichever is lower
Plant and machinery	
Servers	5 years
Other computer hardware	3 years
Furniture and fixtures	5 years
Office Equipments	5 years
ROU Assets	Period of lease

When any significant part of property, plant and equipment is discarded or replaced, the carrying value of discarded / replaced part is derecognized. Any gains or losses arising from retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss on the date of retirement or disposal.

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h) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Cost includes all direct costs relating to acquisition of Intangible assets and borrowing cost relating to qualifying assets. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any

The useful lives of intangible assets are assessed as either finite or indefinite. There are no intangible assets assessed with indefinite useful life.

Intangible assets with finite lives are amortised over the useful economic life. The amortisation period, residual value and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Intangible assets are amortised on straight line method as under:

- Software, which is not an integral part of hardware, is treated as an intangible asset and is amortised over its useful economic life as estimated by the management to be 3 to 5 years.

Cost of Intangible assets under development represents cost of intangible assets not ready for intended use as on the reporting date.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

i) Impairment of Non – Financial Assets

PPE (Including RoU assets) and Intangible assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, an appropriate valuation model is used. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, an impairment loss is recognised in Statement of Profit and Loss by reducing the carrying amount of the asset (or cash-generating unit) to its recoverable amount.

Impairment losses recognized in the earlier periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. If such indication exists, the Company estimates the asset's (or cash generating unit's) recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had such impairment loss not been recognised for the asset (or cash-generating unit) in prior years. Any reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

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j) 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.

k) 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.

l) Financial Instruments

Initial recognition and measurement

Financial Instruments (assets and liabilities) are recognised when the Company becomes a party to a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit and Loss.

i Financial assets

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

Subsequent measurement

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

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

(a) Financial assets measured at amortised cost

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

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

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

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

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Derecognition

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

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

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Debt instruments measured at amortised cost e.g., loans and bank deposits
- Trade receivables
- Other Financial assets not designated as FVTPL

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

ii. Financial liabilities

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the EIR method or at FVTPL. The Company does not have any liability classified as FVTPL.

Financial liabilities at amortised cost
After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

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De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

iii. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

m) Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) (a) on the date of the event or change in circumstances that caused the transfer or (b) at the end of each reporting period or (c) at the beginning of each reporting period.

n) 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.

o) Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities

A Contingent Liability is disclosed where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent Assets are not recognised.

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p) Recent pronouncements

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

5. Use of Estimates, assumptions and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialise.

The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Estimates and Assumptions

a. Share-based payments

Share issued by Vodafone Group Plc., is measured by deducting the present value of expected dividend cash flows over the life of the awards from the share price as at the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. Vesting conditions, other than market conditions i.e. performance based condition are not taken into account when estimating the fair value. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 30.

b. Taxes

The company provide for tax considering the applicable tax regulations and based on reasonable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

Deferred tax asset (DTA) is recognized only when and to the extent there is convincing evidence that the Company will have sufficient taxable profits in future against which such assets can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, recent business performance and developments

Minimum alternative tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and loss and is included in Deferred Tax Assets. The Company reviews the same at each balance sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will be able to absorb such credit during the specified period.

c. Defined benefit plans (gratuity benefits)

The Company's obligation on account of gratuity is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the

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determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 31.

d. Useful life of Property, Plant and Equipment (including RoU Assets) and intangible assets

The useful life to depreciate property, plant and equipment (including RoU Assets) is based on technical obsolescence, nature of assets, estimated usage of the assets, operating conditions of the asset, and manufacturers' warranties, maintenance and support period, etc. The charge for the depreciation and amortisation is derived after considering the expected residual value at end of the useful life.

The residual values, useful lives and methods of depreciation of property, plant and equipment (including RoU Assets) and intangible assets are reviewed by the management at each financial year end and adjusted prospectively, if appropriate. Further details about property, plant and equipment (including RoU Assets) and intangibles assets are given in Note 6 and 7.

e. Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the Right-of-use asset in a similar economic environment. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain specific estimates such as Company's credit rating.

f. Leases-Estimate of lease period

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

g. 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.

h. Impact of COVID-19 (Global pandemic)

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

The Company has managed to continue most of its operations as the Company made necessary arrangements to enable its employees to Work from Home during the entire lockdown period.

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Notes to Financial Statements

Note 6
Property, Plant and Equipment

Particulars	Leasehold Improvement	Plant and machinery	Furniture and fixtures	Office equipments	RoU Assets (Land & Building)	Total
Cost						
As at April 1, 2019	176	411	90	69	-	746
Transition impact of Ind AS 116	-	-	-	-	1,224	1,224
Restated balance as at April 1, 2019	176	411	90	69	1,224	1,970
Additions	-	-	2	2	-	4
Disposals/Adjustments	-	(2)	-	-	(31)	(33)
As at March 31, 2020	176	409	92	71	1,193	1,941
Additions	1	-	-	-	-	1
Disposals/Adjustments	-	(9)	(38)	(6)	-	(53)
As at March 31, 2021	177	400	54	65	1,193	1,889
Accumulated Depreciation						
As at April 1, 2019	28	208	25	24	-	285
Depreciation charge for the year	30	161	24	21	293	529
Disposals/Adjustments	-	-	-	-	(18)	(18)
As at March 31, 2020	58	369	49	45	275	796
Depreciation charge for the year	34	13	21	17	276	361
Disposals/Adjustments	-	(9)	(29)	(4)	-	(42)
As at March 31, 2021	92	373	41	58	551	1,115
Net Book Value						
As at March 31, 2021	**85**	**27**	**13**	**7**	**642**	**774**
As at March 31, 2020	**118**	**40**	**43**	**26**	**918**	**1,145**

Note 7
Intangible assets

Particulars	Computer - Software
Cost	
As at April 1, 2019	17,366
Additions	15
Disposals/Adjustments	(153)
As at March 31, 2020	17,228
Additions	-
Disposals/Adjustments	(7)
As at March 31, 2021	17,221
Accumulated Amortisation	
As at April 1, 2019	3,475
Amortisation charge for the year [1]	3,603
Disposals/Adjustments	-
As at March 31, 2020	7,078
Amortisation charge for the year	3,661
Disposals/Adjustments	-
As at March 31, 2021	10,739
Net Book Value	
As at March 31, 2021	**6,482**
As at March 31, 2020	**10,150**

[1] Amortization charge for the year includes ₹ 386 Lacs. (March 31,2020 ₹ Nil) due to change in estimated useful life of Computer Software

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Note 8
Other non-current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	12	22
Advance income tax (Net)	429	3,025
Total	**441**	**3,047**

Note 9
Trade receivables (Unsecured, unless otherwise stated) (refer note 38)

Particulars	As at March 31, 2021	As at March 31, 2020
Billed Receivables		
Unsecured - Considered Good	1,130	324
Unbilled Receivables	625	-
Total	**1,755**	**324**

Note 10
Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- In current accounts	1,741	76
- In deposit accounts (having maturity less than 3 months)	680	-
Total	**2,421**	**76**

Note 11
Other current financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits with body corporate and others	38	31
Interest Receivable	28	-
Other receivables (refer note 38)	-	418
Total	**66**	**449**

Note 12
Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
GST Recoverable	458	727
Prepaid expenses	140	10
Others		
- Considered Good	34	190
- Considered Doubtful	11	-
	643	927
Allowance for doubtful advances	(11)	-
Total	**632**	**927**

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Notes to Financial Statements

Note 13
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	5,000,000	500	5,000,000	500
	5,000,000	**500**	**5,000,000**	**500**
Issued, subscribed and paid-up share capital				
Equity Shares of ₹ 10 each fully paid up	2,000,000	200	2,000,000	200
	2,000,000	**200**	**2,000,000**	**200**

(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	2,000,000	200	2,000,000	200
Issue of share capital	-	-	-	-
Equity shares outstanding at the end of the year	2,000,000	200	2,000,000	200

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

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

(c) Details of shareholders holding more than 5% shares in the Company

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	2,000,000	100%	2,000,000	100%

Note 14
Other Equity

Particulars	As at March 31, 2021	As at March 31, 2020
Retained Earnings		
Opening balance	364	627
Profit / (Loss) for the year	627	(124)
Other Comprehensive income / (Loss) for the year	69	(139)
Total	**1,060**	**364**

Note 15
Other non-current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liabilities (refer note 29)	440	742
Total	**440**	**742**

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Notes to Financial Statements

Note 16
Long term provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Gratuity (refer note 31)	1,030	672
Total	**1,030**	**672**

Note 17
Short term borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured Loans		
Loan from related parties (refer note 38)[(1)]	-	1,244
Total	**-**	**1,244**

[(1)] The Loan was repayable on demand with nil interest rate effective January 1, 2020, till such time, interest rate of 7.5 % was charged.

Note 18
Information as per the Requirement of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2021	As at March 31, 2020
a) (i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	-	-
(ii) The interest due on above	-	-
The total of (i) & (ii)	**-**	**-**
b) The amount of interest paid by the buyer in terms of section 16 of the Act	-	-
c) The amount of the payment made to the supplier beyond the appointed day during the accounting year	23	-
d) The amounts of interest accrued and remaining unpaid at the end of financial year	-*	-
e) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act.	-*	-

*Numbers below one lakhs are under the rounding off convention adopted by the Company and accordingly not reported.

Note 19
Other current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long term debt	-	1
Payable for capital expenditure (Including amount referred in note 38)	11,283	10,926
Interest accrued but not due on borrowings (refer note 38)	-	173
Lease Liabilities (refer note 29)	314	260
Total	**11,597**	**11,360**

Note 20
Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Taxes and other liabilities	247	294
Total	**247**	**294**

Note 21
Short term provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Gratuity (refer note 31)	94	56
Compensated absences	71	38
Total	**165**	**94**

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Notes to Financial Statements

Note 22
Other operating income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Liabilities no longer required written back	-	31
Total	**-**	**31**

Note 23
Other income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Unwinding of discount on security deposit	9	9
Interest income (Including amount referred in note 38)	306	-
Total	**315**	**9**

Note 24
Employee benefit expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	7,475	6,472
Contribution to provident and other funds (refer note 31)	467	384
Share based payment expenses (ESOS) (refer note 31) [1]	-	(6)
Staff welfare (Including amount referred in note 38)	187	330
Recruitment and training	-	1
Total	**8,129**	**7,181**

[1] The charge / (gain) for the previous year is net of reversal on account of cancellation of unvested options of ₹ 6

Note 25
Other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Repairs and maintenance	85	153
IT and business process outsourcing cost	218	311
Rates and taxes	38	39
Electricity	164	281
IT service cost	53	53
Printing and stationery	3	8
Communication expenses	11	11
Travelling and conveyance	18	60
Allowances for doubtful debts and advances	11	-
Loss / (Gain) on disposal of property, plant and equipment (net)	11	-
Legal and professional charges	234	278
Audit fees (refer note 32)	3	3
CSR expenditure (refer note 39)	-	9
Miscellaneous expenses	196	193
Total	**1,045**	**1,399**

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Notes to Financial Statements

Note 26
Finance costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense on borrowings (refer note 38)	-	183
Interest expense on lease liabilities	84	107
Total interest expense	**84**	**290**
Exchange difference (net)	402	699
Total	**486**	**989**

Note 27
Exceptional items (net)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Redundancy cost paid to employees	37	-
Reimbursement of redundancy cost paid to employees (includes amount referred in note 38)	(39)	-
Total	**(2)**	**-**

Note 28

Capital and other commitments

Estimated amount of commitments are as follows:

- Contracts remaining to be executed for capital expenditure (net of advances) and not provided for are ₹ NIL (March 31, 2020: ₹ 12)
- Long term contracts remaining to be executed are ₹ 207 (March 31, 2020: ₹ 207)

Note 29

Leases

Company as lessee
The Company has adopted Ind AS 116 from April 1, 2019 which supersedes Ind AS 17. The effects of adopting Ind AS 116 on Company's financials are as follows:

Impact on balance sheet (Increase / (Decrease))

Assets	**April 1, 2019**
Right-of-Use Assets	1,224
Total assets	**1,224**
Liabilities	
Lease liabilities	1,224
Total liabilities	**1,224**

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Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	**1,002**	**1,224**
Additions	-	-
Accretion of interest	84	107
Payments	(332)	(316)
Deletions	-	(13)
Total	**754**	**1,002**
Current	314	260
Non-current	440	742

The maturity analysis of lease liabilities are disclosed in note 42.

Note 30

Share based payments

Employee stock option plan – options granted by Vodafone Group Plc

Global Long Term Retention ("GLTR"):
GLTR plan is a restricted share plan granted as a retention tool to selected employees in the middle management. The options vest in 3 years / 2 years after the grant date provided the employees remain in the continued employment of the Group during the vesting period.

As at year ended March 31, 2021, details and movements of the outstanding options are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Options granted under GLTR	**No. of Options**	**No. of Options**
Options outstanding at the beginning of the year	-	18,040
Options granted during the year	-	-
Options forfeited during the year	-	-
Options cancelled during the year [1]	-	18,040
Options exercised during the year	-	-
Options outstanding at the end of the year	-	-
Options exercisable at the end of the year	-	-
Weighted average remaining contractual life of the options outstanding at the end of the period (in months)	-	-

[1] Options cancelled and replaced with LTIP scheme

The exercise price is Nil and hence the weighted average exercise price is not disclosed. Since the outstanding options as at March 31, 2021 are nil the liability at the end of financial year ended March 31, 2021 is Nil. (March 31, 2020 is Nil)

Fair value of option is measured by deducting the present value of expected dividend cash flows over the life of the awards from the share price as at the grant date.

The fair value of each option is mentioned below:

Particulars	Grant date	Expected life	Market price on date of grant/re-pricing (₹)	Fair Value (₹)
GLTR	26/06/18	3 years / 2 years continuous employment for GLTR	166	166

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Note 31

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. In particular, there is a risk for the Company that any significant change in salary growth or demographic experience that can result in an increase in cost of providing these benefits to employees in future.

The following tables summarizes the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for gratuity:

Particulars	As at March 31, 2021	As at March 31, 2020
Amount recognised in Balance Sheet		
Present value of unfunded obligations	1,124	728
Net Asset / (Liability) recognised in Balance Sheet	(1,124)	(728)
Net Asset / (Liability) recognised in Balance Sheet is bifurcated as		
- Long term provision	(1,030)	(672)
- Short term provision	(94)	(56)

Particulars	As at March 31, 2021	As at March 31, 2020
Reconciliation of Defined Benefit Obligation		
Opening Defined Benefit Obligation	728	50
Current Service cost	120	86
Past Service Cost	-	(1)
Interest on Defined Benefit Obligation	60	4
Re-measurement (Gain) / Loss arising from change in financial assumptions	8	45
Re-measurement (Gain) / Loss arising on account of experience changes	(105)	151
Benefits paid	(28)	(1)
Liabilities assumed / (settled)[1]	341	394
Closing Defined Benefit Obligation	**1124**	**728**

[1]On account of inter group transfer.

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Notes to Financial Statements

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Expenses Recognised in the Statement of Profit & Loss		
Current Service cost	120	86
Past Service Cost	-	(1)
Interest on Net Defined Benefit liability	60	4
Expenses recognised in the Statement of Profit & Loss	**180**	**89**
Amount recorded as Other Comprehensive Income (OCI)		
Re measurement during the year due to		
- Changes in financial assumptions	8	45
- Experience adjustments	(105)	151
Amount recognised in OCI	**(97)**	**196**

The principal assumptions used in determining gratuity obligations are shown below:

Particular	As at March 31, 2021	As at March 31, 2020
Discount rate	6.55%	6.65%
Future salary increases[1]	8.00%	8.00%
Attrition rate	30 years & below - 30% 31-40 years - 15% 41 years & above - 8%	30 years & below - 30% 31-40 years - 15% 41-50 years - 8% 50 years & above - 8%
Mortality rate during employment	As per Indian Assured Lives Mortality (2012-14) Table	As per Indian Assured Lives Mortality (2012-14) Table
Disability	Leaving service due to disability is included in the provision made for all causes of leaving service.	

[1]The estimates of future salary increase considered takes into account inflation, seniority, promotion and other relevant factors.

A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation is as below:

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Discount Rate	Salary escalation Rate	Discount Rate	Salary escalation Rate
Impact of increase in 50 bps on DBO	-3.51%	3.55%	-3.71%	3.78%
Impact of decrease in 50 bps on DBO	3.72%	-3.38%	3.94%	-3.59%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year.

Projected plan cash flow:
The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

Particulars	As at March 31, 2021	As at March 31, 2020
Expected benefits for year 1	94	56
Expected benefits for year 2	64	48
Expected benefits for year 3	76	51
Expected benefits for year 4	108	49
Expected benefits for year 5 and above	854	572

The weighted average duration of the defined benefit plan obligation at the end of the reporting year is 6.92 years (March 31, 2020 : 7.02 years).

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B. Defined contribution plans:
During the year, the Company has recognised the following amounts in the statement of profit and loss:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employers' contribution to provident and other fund	287	295

Note 32
Auditor's Remuneration

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Statutory Audit Fees	3	3
Out of pocket expenses (included in Misc. Expenses)	-	-*
Total Remuneration	**3**	**3**

*Numbers below one lakhs are under the rounding off convention adopted by the Company and accordingly not reported.

Note 33
Details of Foreign Currency Exposures
Unhedged

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Payables and Other Current Financial Liablities		
In EURO [(1)]	133	132
Equivalent INR of Trade Payables and Other Current Financial Liablities in Foreign Currency[(1) & (2)]	11,422	10,944

[(1)] An amount of EUR 131 (Rs.11,282) is outstanding as at March 31, 2021 as payable to Vodafone Group Services Limited ("VGSL") towards IPR and ERP implementation costs for carve out of SAP instance. As per RBI guidelines in respect to payment for import of goods and services, the Company may require approval from Authorised Dealer (Bank) / RBI at the time of making this payment, as the amount is outstanding for more than 3 years as on the signing date of these financial statements. The Company is confident of receiving such approvals at the time of actual remittance of such outstanding dues to VGSL.
[(2)] Amount in INR represents conversion at closing rate

Note 34
Movement of Allowances for Doubtful Debts/Advances

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	-	-
Charged to Statement of Profit and Loss (Net) (Refer Note 25)	11	-
Closing Balance	**11**	**-**

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Note 35
Income Tax Expenses
(a) Major components of tax expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Tax		
Current Tax on profits for the year	148	-
Adjustments for tax on prior period	-	(1)
Total Current Tax Expense (A)	**148**	**(1)**
Deferred Tax		
Relating to addition & reversal of temporary differences	(196)	41
Total Deferred Tax Expense (B)	**(196)**	**41**
Total Tax Expense (A+B)	(48)	40
Income tax effect of re-measurement (gains)/losses on defined benefit plans taken to other comprehensive income / (loss)	28	(57)

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit / (Loss) before income tax expense	579	(84)
Applicable Tax Rate	29.12%	29.12%
Increase / (Decrease) in taxes on account of:		
Effect of utilisation of MAT Credit for which no deferred tax recognised earlier	-51.40%	-
Effects of expenses that are not deductible in determining the taxable profits	13.99%	-77.82%
Other Items	-	0.71%
Effective Tax Rate	-8.30%	-48.00%

(c) Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unabsorbed depreciation and tax losses can be utilised. Accordingly, in view of uncertainty the Company, on a conservative basis, has not recognized deferred tax assets in respect of MAT Credit of ₹ NIL as at March 31, 2021 (March 31, 2020: ₹ 298).

Note 36
Movement in Deferred Tax

Particulars	As at April 1, 2019	Recognised in Profit and Loss	Recognised in OCI	As at March 31, 2020	Recognised in Profit and Loss	Recognised in OCI	As at March 31, 2021
Liabilities							
Depreciation & Amortisation	964	394	-	1,358	(435)	-	923
Effects of remeasuring financial instruments under Ind AS	145	-	-	145	(322)	-	(177)
Total (A)	**1,109**	**394**	**-**	**1,503**	**(757)**	**-**	**746**
Assets							
Tax Losses	688	14	-	702	(702)	-	-
Lease Liability under IND AS 116	-	292	-	292	(72)	-	220
Expenses allowable on Payment Basis	19	47	57	123	215	(28)	310
Provisions for doubtful debts/ advances	-	-	-	-	3	-	3
Others	-	-	-	-	(5)	-	(5)
Total (B)	**707**	**353**	**57**	**1,117**	**(561)**	**(28)**	**528**
Net Deferred Tax Liabilities/ (assets) (A-B)	**402**	**41**	**(57)**	**386**	**(196)**	**28**	**218**
As per Financials:							
Deferred Tax Liabilities	**402**	**-**	**-**	**386**	**(196)**	**28**	**218**

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Note 37
Basic & Diluted Earnings 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/-
Profit / (Loss) after Tax	627	(124)
Profit / (Loss) attributable to equity shareholders	627	(124)
Weighted average number of equity shares outstanding during the year	2,000,000	2,000,000
Basic and Diluted Earnings Per Share	31.35	(6.20)

Note 38
Related party transactions

Relationship	Related Party
Holding Company	Vodafone Idea Limited
Fellow Subsidiary	Vodafone Idea Communication Systems Limited (formerly known as Mobile Commerce Solutions Limited)
	Connect (India) Mobile Technologies Private Limited
	Vodafone Foundation
	Vodafone Idea Business Services Limited (formerly Vodafone Business Services Limited)
	Vodafone Idea Manpower Services Limited (formerly Idea Cellular Services Limited)
	Vodafone Idea Technology Solutions Limited (formerly Vodafone Technology Solutions Limited)
	Vodafone Idea Telecom Infrastructure Limited (formerly Vodafone Towers Limited)
	Vodafone m-pesa Limited
	You Broadband India Limited
Entities having significant influence [includes Subsidiaries of the entity to which the Holding company of the Company is a JV]	Vodafone Group Services Limited
	Aditya Birla Sun Life Insurance Company Limited
	Vodafone Limited
	Vodafone Global Enterprise Limited

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Notes to Financial Statements

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

Particulars	Holding Company	Fellow Subsidiaries	Entities having significant influence
Sale of Services	13,588	395	-
	(13,126)	(451)	-
Purchase of Services	-*	-	-
	-	-	-
Interest on Inter Corporate Deposit (ICD)	-	-	-
	(183)	-	-
ICD Given	3,200	-	-
	-	-	-
Interest Income	30	-	-
	-	-	-
Expense incurred on behalf of	212	-*	9
	(694)	-	-
Expense incurred on company's behalf by	205	-	87
	(360)	-	(319)
ICD repaid	1,244	-	-
	(2,000)	-	-
Purchase of Fixed Assets	-	-	-
	(2)	-	-
Donations given	-	-	-
	-	(9)	-
Insurance premium (including advance given)	-	-	21
	-	-	(16)

*Numbers below one lakhs are under the rounding off convention adopted by the Company and accordingly not reported.
(Figures in brackets are for the year ended March 31, 2020)

B. Balances with Related Parties

Particulars	Holding Company	Fellow Subsidiaries	Entities having significant influence
Trade and other receivable	1,655	100	-
	(541)	(201)	-
Trade and other payables	19	-	11,327
	(731)	-	(10,838)
Interest payable	-	-	-
	(173)	-	-
Interest receivable	28	-	-
	-	-	-
Advance Given	-	-	5
	-	-	-
Outstanding loan receivable	3,200	-	-
	-	-	-
Outstanding loan payable	-	-	-
	(1,244)	-	-

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

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Note 39

Expenditure for corporate social responsibility

a) Gross amount required to be spent by the Company during the year is ₹ NIL (March 31, 2020: ₹ 9).

b) Amount spent for the year ended March 31, 2020:

Sr. No.	Particulars	Amount Paid
1	Education	9
2	Others	-*
	Total	**9**

*Numbers below one lakhs are under the rounding off convention adopted by the Company and accordingly not reported.

Note 40

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

Note 41

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		
Loan to holding company	3,200	-
Cash and cash equivalents	2,421	76
Trade receivables	1,755	324
Deposit with Body Corporates and Others	222	212
Others	28	418
Total Financial Assets	**7,626**	**1,030**
Financial Liabilities		
Fixed Rate Borrowings including Interest accrued but not due	-	1
Short term borrowings including Interest accrued but not due	-	1,417
Trade Payables	998	943
Payables for Capital Expenditure	11,283	10,926
Lease liabilities (1)	754	1,002
Total Financial Liabilities	**13,035**	**14,289**

(1) Included in other current / non-current financial liabilities

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.

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

Note 42

Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, trade and other payables. The Company's principal financial assets comprise Loan to related party, bank balance, trade receivables and deposit with body corporates and others.

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

a) Market risk

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

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 from the Holding Company and the interest rate on such borrowing is nil effective from January 1, 2020.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company's foreign currency risks are identified, measured and managed at periodic intervals in accordance with the Company's policies.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency rates, with all other variables held constant. The impact on the Company's profit / (loss) before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

Currency exposure	Change in currency exchange rate	Effect on profit before tax
March 31, 2021		
EURO	5%	571
	-5%	(571)
March 31, 2020		
EURO	5%	547
	-5%	(547)

c) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its investing activities, and other financial instrument.

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- Trade receivable

The Company provides its services to the Group Companies and trade receivable are generally on 0 to 30 day credit terms. The Company does not have credit risk (Refer note 45).

- Other financial assets and cash deposits

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 is disclosed in notes 9, 10, 11 & 12.

d) Liquidity risk

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

The Company has Financial liabilities of trade and other payables which are payable within one year. The Company generally maintains sufficient cash and other liquid financial assets to meet the payment of financial liabilities as per dates. However, as its business operations are dependent on the holding company, its ability to settle these liabilities is dependent on the cash flows from the holding company towards the services provided to it (refer note 45).

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	Total payments
As at March 31, 2021				
Trade and other payables[(1)]	12,281	12,281	-	12,281
Lease Liabilities	754	382	467	849
	13,035	**12,663**	**467**	**13,130**
As at March 31, 2020				
Borrowings and Interest thereon[(2)]	1,417	1,417	-	1,417
Trade and other payables[(1)]	11,869	11,848	21	11,869
Lease Liabilities	1,002	363	818	1,181
	14,288	**13,628**	**839**	**14,467**

[(1)]Payable for capital expenditure of ₹ 11,283 (March 31, 2020: ₹ 10,926) has been excluded from other financial liabilities and included in trade and other payables.
[(2)]Interest accrued but not due of ₹ NIL (March 31, 2020: ₹ 173) has been excluded from other financial liabilities and included in borrowings and interest thereon.

Note 43

Capital management

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

As the Company's business operations are dependent on the holding company, its ability to take care of its long term and working capital requirements is dependent on the cash flows from the holding company towards the services provided to it (refer note 45).

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Note 44

Particulars of loans given / investments made / guarantees given, as required by clause 4 of Section 186 of the Companies Act, 2013.

The Company has provided an unsecured Inter Corporate Deposit (ICD) of ₹ 3,200 to Vodafone Idea Limited (Holding Company) for General Corporate Purpose. The interest rate of the ICD is 7% and it is repayable on demand.

Note 45

The Company's current liabilities as at March 31, 2021 exceeded its current assets by ₹ 4,933. The Company's business operations are dependent on its holding company. The Company has assessed its liquidity position and its possible sources of funds. Basis the assessment, the Company may need financial support from the holding company to settle some of its existing liabilities and fund the operations of the Company. Accordingly, Company's ability to continue as a going concern is dependent on the holding company's ability to continue as a going concern. The holding Company's ability to continue as going concern is dependent on its ability to raise additional funds as required.

Note 46

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

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

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

Nilangshu Katriar

Nilangshu Katriar
Partner
Membership No.: 58814

Place : Mumbai
Date : June 26, 2021

For and on behalf of the Board of Directors of Vodafone Idea Shared Services Limited

Venkatesh V.

Venkatesh Viswanathan
Director
(DIN: 03122706)

GVAS Murthy
Director
(DIN: 08920194)

VODAFONE IDEA SHARED SERVICES LIMITED

Place : Mumbai
Date : June 26, 2021