VODAFONE IDEA TECHNOLOGY SOLUTIONS LIMITED

Financial Statements

For the year ended March 31, 2022

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Vodafone Idea Technology Solutions Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Vodafone Idea Technology Solutions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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 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, 2022, its loss 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 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 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 financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 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 Board of Director's report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibility of Management for the 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial statements, including the disclosures, and whether the 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, 2020 ("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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company 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.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

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

sd/-

per Nilangshu Katriar
Partner
Membership Number: 58814
UDIN: 22058814AIMFXL2121

Place: Mumbai
Date: May 05, 2022

Annexure 1 to the Independent Auditor's Report

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

Re: Vodafone Idea Technology Solutions Limited (the 'Company')

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a)(A) The Company does not have any property, plant and equipment and accordingly the requirements under clause 3(i) (A) of the order is not applicable to the Company.

(B) The Company has maintained proper records showing full particulars of intangibles assets as reflected in the books.

(b) The Company does not have any property, plant and equipment and accordingly the requirements under clause 3(i) (b) of the order is not applicable to the Company.

(c) There is no immovable property held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has not availed working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a), (c), (d), (e) and (f) of the Order is not applicable to the Company.

(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to Companies, Firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, income-tax cess and other statutory dues applicable to it. The provisions relating to provident fund, employee's state insurance, sales tax, value added tax, duty of excise and duty of custom are not applicable to the Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) There are no dues of goods and services tax, income tax, cess and other statutory dues which have not been deposited on account of any dispute. The provisions relating to provident fund, employee's state insurance, sales tax, value added tax, duty of excise and duty of custom are not applicable to the Company.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) Loans amounting to Rs. 76,000 thousand are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. Such loans and interest thereon have not been demanded for repayment during the relevant financial year. The Company has not defaulted in repayment of other borrowings or payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the financial statements of the Company, the Company has used funds raised on short-term basis (in form of short term borrowing, trade payables and other liability) aggregating to Rs. 112,871 thousand for long-term purposes (representing acquisition of property, plant and equipment and to fund losses of the Company).

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix) (e) and (f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) (b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.

(xiv) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv) (a) and (b) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(C) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) The Group has five Core Investment Company as part of the Group.

(xvii) The Company has incurred cash losses in the current year amounting to Rs. 1,398 thousands. In the immediately preceding financial year, the Company had not incurred cash losses.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 33 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirement of section 135 of The Companies Act, 2013 is not applicable to the Company, and accordingly the requirement to report on Clause 3(xx) of the Order is not applicable to the Company.

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

sd/-

per Nilangshu Katriar
Partner
Membership Number: 58814
UDIN: 22058814AIMFXL2121

Place: Mumbai
Date: May 05, 2022

Annexure 2 to the independent auditor's report of even date on the financial statements of Vodafone Idea Technology Solutions 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 with reference to financial statements of Vodafone Idea Technology Solutions Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these 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 Act, to the extent applicable to an audit of internal financial controls, 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 with reference to these 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these 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 Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to 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 With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to 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 financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2022, 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

sd/-

per Nilangshu Katriar
Partner
Membership Number: 58814
UDIN: 22058814AIMFXL2121

Place: Mumbai
Date: May 05, 2022

Vodafone Idea Technology Solutions Limited

Financial Statements for the year ended March 31, 2022
(All amounts are in Rs. thousands, except per share data and unless stated otherwise)

Notes to Financial Statements

Balance Sheet as at March 31, 2022

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Intangible assets	6	3,549	-
Financial assets			
Other non-current financial assets	7	20	20
Other non-current assets	8	4,317	1,074
Total non-current assets (A)		**7,886**	**1,094**
Current assets			
Financial assets			
Trade receivables	9	34,186	40,430
Cash and cash equivalents	10	2,353	30,865
Other current financial assets	11	-	154
Other current assets	12	8,829	4,318
Total current assets (B)		**45,368**	**75,767**
Total Assets (A+B)		**53,254**	**76,861**
Equity and Liabilities			
Equity			
Equity share capital	13	5,000	5,000
Other equity	14	(116,967)	(102,963)
Total equity (A)		**(111,967)**	**(97,963)**
Liabilities			
Non-current liabilities			
Other non-current liabilities	15	6,982	2,289
Total non-current liabilities (B)		**6,982**	**2,289**
Current liabilities			
Financial liabilities			
Short term borrowings	16	76,000	90,190
Trade payables	17		
Total outstanding dues of micro enterprises and small enterprises		3	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (includes amount referred in note 29)		59,606	63,480
Other current financial liabilities	18	3,656	-
Other current liabilities	19	18,974	18,865
Total current liabilities (C)		**158,239**	**172,535**
Total Equity and Liabilities (A+B+C)		**53,254**	**76,861**

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

sd/-

Nilangshu Katriar
Partner
Membership No.: 58814

Place : Mumbai
Date : May 5, 2022

For and on behalf of the Board of Directors of Vodafone Idea Technology Solutions Limited

sd/-

Abhijit Kishore
Director
(DIN: 09042186)

sd/-

Murthy G.V.A.S.
Director
(DIN: 08920194)

Place : Mumbai
Date : May 5, 2022

Vodafone Idea Technology Solutions Limited

Financial Statements for the year ended March 31, 2022

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

Statement of Profit and Loss for the year ended March 31, 2022

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Service revenue		78,977	56,511
Revenue from operations		**78,977**	**56,511**
Other income	20	158	-
Total income		**79,135**	**56,511**
Expenses			
Cost of Sims		6,258	1,920
Commission to dealers		259	366
Other expenses	21	86,381	58,064
		92,898	**60,350**
Profit/(Loss) before finance costs, amortisation and tax		**(13,763)**	**(3,839)**
Finance costs	22	134	154
Amortisation	6	107	-
Profit/(Loss) before tax		**(14,004)**	**(3,993)**
Tax expense:			
- Current tax	27	-	-
- Deferred tax	27	-	-
Profit/(Loss) after tax		**(14,004)**	**(3,993)**
Other comprehensive income / (loss) for the year, net of tax		**-**	**-**
Total comprehensive income / (loss) for the year		**(14,004)**	**(3,993)**
Earning/(Loss) per equity share of Rs. 10 each:	28		
Basic (Rs)		**(28.01)**	**(7.99)**
Diluted (Rs)		**(28.01)**	**(7.99)**
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

sd/-

Nilangshu Katriar

Partner

Membership No.: 58814

Place : Mumbai

Date : May 5, 2022

For and on behalf of the Board of Directors of Vodafone Idea Technology Solutions Limited

sd/-

Abhijit Kishore

Director

(DIN: 09042186)

sd/-

Murthy G.V.A.S.

Director

(DIN: 08920194)

Place : Mumbai

Date : May 5, 2022

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

Statement of Changes in Equity for the year ended March 31, 2022

A. Equity share capital:

Equity shares of Rs. 10 each issued, subscribed and fully paid

	Numbers	Amount
As at April 1, 2020	500,000	5,000
Issue of share capital	-	-
As at March 31, 2021	500,000	5,000
Issue of share capital	-	-
As at March 31, 2022	500,000	5,000

B. Other equity

Particulars	Retained earnings
As at April 1, 2020	**(98,970)**
Profit/(Loss) after tax for the year ended March 31, 2021	(3,993)
As at March 31, 2021	**(102,963)**
Profit/(Loss) after tax for the year ended March 31, 2022	(14,004)
As at March 31, 2022	**(116,967)**

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

sd/-

Nilangshu Katriar
Partner
Membership No.: 58814

Place : Mumbai
Date : May 5, 2022

For and on behalf of the Board of Directors of
Vodafone Idea Technology Solutions Limited

sd/-

Abhijit Kishore
Director
(DIN: 09042186)

sd/-

Murthy G.V.A.S.
Director
(DIN: 08920194)

Place : Mumbai
Date : May 5, 2022

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

Statement of Cash Flows for the year ended March 31, 2022

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Operating activities		
Profit/(Loss) before tax	(14,004)	(3,993)
Adjustments to reconcile loss before tax to net cash flows:		
Amortisation of intangible assets	107	-
Finance costs	134	154
Allowance for doubtful debts / advances	12,681	5,674
Interest income	(158)	-
Working capital adjustments		
(Increase) in trade receivables	(6,005)	(48,674)
(Increase)/Decrease in other financial and non-financial assets	(6,707)	599
(Decrease)/Increase in trade payables	(3,874)	51,709
Increase in other financial and non-financial liabilities	4,802	21,051
Cash flows from operating activities	**(13,024)**	**26,520**
Income tax paid (including TDS) (net)	(1,395)	(665)
Net cash flows from operating activities	**(14,419)**	**25,855**
Investing activities		
Interest received	97	-
Net cash flows from investing activities	**97**	**-**
Financing activities		
Payment of interest	-	(5,744)
Repayment of short term borrowings	(14,190)	(4,410)
Net cash flows (used in) financing activities	**(14,190)**	**(10,154)**
Net (Decrease)/Increase in cash and cash equivalents	**(28,512)**	**15,701**
Cash and cash equivalents at the beginning of the year	30,865	15,164
Cash and cash equivalents at the end of the year (refer note 10)	**2,353**	**30,865**

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

Particulars	Short term borrowings	Interest accrued but not due
Balance as at April 1, 2020	94,600	5,590
(i) Cash flow Items		
Payment of Interest		(5,744)
Payment of short term borrowings	(4,410)	-
(ii) Non - cash items		
Finance cost accrued (charged to profit and loss)		154
Balance as at March 31, 2021	**90,190**	**-**
(i) Cash flow Items		
Payment of Interest	-	-
Repayment of short term borrowings	(14,190)	-
(ii) Non - cash items		
Finance cost accrued (charged to profit and loss)		134
Balance as at March 31, 2022	**76,000**	**134**

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

sd/-

Nilangshu Katriar
Partner
Membership No.: 58814

Place : Mumbai
Date : May 5, 2022

For and on behalf of the Board of Directors of Vodafone Idea Technology Solutions Limited

sd/-

Abhijit Kishore
Director
(DIN: 09042186)

sd/-

Murthy G.V.A.S.
Director
(DIN: 08920194)

Place : Mumbai
Date : May 5, 2022

1. Corporate Information

Vodafone Idea Technology Solutions Limited (herein after referred to as "VITSL" or "the Company"), a wholly owned subsidiary of Vodafone Idea Limited was incorporated on December 11, 2014 under the provisions of the Companies Act, 1956 applicable in India. The registered office of the Company is situated at 10th Floor, Birla Centurion, Century Mill Compound, Pandurang Budhkar Marg, Worli, Mumbai – 400030, India.

The Company provides Technology, Software, Hardware, Value Added Services (VAS), Application Software, Contents and related products and services that facilitate and develop access to IT enabled VAS products and services whether on single or multiple platform(s) or operating system(s). The Company is also engaged in the business of providing Data Centre related services and IT Solutions (including E-SIMs) to its customers.

The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on May 5, 2022.

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, except for certain financial instruments that have been measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services on the transaction date. The Company has assessed its liquidity position and its possible sources of funds. The Board of Directors are confident of the Company's ability to meet its obligations as and when they arise in the next twelve months from the balance sheet date. Accordingly, the financial statements are prepared on a going concern basis.

All financial information presented in Rs. has been rounded off to thousands unless otherwise stated.

The Company has elected to present Profit/(Loss) before finance costs, amortisation and tax as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include finance costs, amortisation and tax.

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 from contracts with customers

Revenue is recognised when a customer obtains control of the goods or receive services and thus has the ability to direct the use and obtain the benefits from the goods or services. Revenue is measured at the Transaction price i.e. an amount that reflects the consideration, to which an entity expects to be entitled in exchange for transferring goods or services to customers, excluding amounts collected on behalf of third parties. Taxes and duties collected by the seller / service provider are to be deposited with the government and not received by the Company on their own account. Accordingly, it is excluded from revenue. The Company evaluates its exposure to significant risks and reward associated with the revenue arrangements in order to determine its position of a principal or an agent in this regard.
Consideration payable to a customer includes cash or credit or other items expected to be payable to the customer (or to other parties that purchase reduction from the transaction price unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity.

i) Revenue from supply of services and sale of goods

Revenue is recognised on rendering of services. Fixed Revenues is recognised over the period of rendering of services. Revenue from other services is recognized on rendering of services. Revenue from sale of ESim cards and related accessories is recognised when control of the asset is transferred to the customer, generally on delivery of equipment. If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

ii) Unbilled income

Unbilled Income is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs its obligation by transferring goods or services to a customer before the same is invoiced to the customer, unbilled income is recognised for the earned consideration that is conditional on satisfaction of performance obligation.

iii) Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 4(k) Financial instruments – initial recognition and subsequent measurement.

iv) Advance from customer and deferred revenue

Advance from customer and deferred revenue is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made. Advance from customer and deferred revenue are recognised as revenue when the Company fulfils its performance obligations under the contract.

b) Leases

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.

c) Functional and presentation currency

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

d) 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.

e) 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.

f) 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.

g) Impairment of Non – Financial Assets

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.

h) 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.

i) 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.

j) Financial Instruments

Initial recognition and measurement

Financial Instruments (assets and liabilities) are recognised when the Company becomes a party to a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit and Loss.

i. Financial assets

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

Subsequent measurement

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

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

Financial assets measured at amortised cost

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

• The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

• Contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Derecognition

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

• The rights to receive cash flows from the asset have expired, or
• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement; and either

- the Company has transferred substantially all the risks and rewards of the asset, or

- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

ii. Financial liabilities

Subsequent measurement

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

Financial liabilities at amortised cost

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

De-recognition

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

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.

k) 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.

l) 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.

m) 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.

Recent pronouncements

i) Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

ii) Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

iii) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

iv) Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

v) Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

5. Use of Estimates, assumptions and judgments

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

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

Estimates and Assumptions

i. Useful life of Property, Plant and Equipment and intangible assets

The useful life to depreciate property, plant and equipment 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 and intangible assets are reviewed by the management at each financial year end and adjusted prospectively, if appropriate. Further details about Intangible asset are given in Note 6.

ii. Taxes

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

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

iii. 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.

iv. Allowance for Trade receivable

For the purpose of measuring the expected credit loss for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively depending on their significance. Individual trade receivables are written off when management deems them not to be collectible on assessment of facts and circumstances. Refer note 9.

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

Note 6
Intangible assets

Particulars	Computer Software
Cost	
As at April 1, 2020	-
Additions	-
Disposals/Adjustments	-
As at March 31, 2021	-
Additions	3,656
Disposals/Adjustments	-
As at March 31, 2022	3,656
Accumulated Depreciation	-
As at April 1, 2020	-
Amortisation charge for the year	-
Disposals/Adjustments	-
As at March 31, 2021	-
Amortisation charge for the year	107
Disposals/Adjustments	-
As at March 31, 2022	107
Net Book Value	
As at March 31, 2022	**3,549**
As at March 31, 2021	**-**

Note 7
Other non-current financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits with body corporate and others	20	20
Total	**20**	**20**

Note 8
Other non-current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax	2,121	665
Prepaid expenses	2,196	-
Others		
- Considered Good	-	409
- Considered Doubtful	409	-
	4,726	**1,074**
Allowance for doubtful tax credit (refer note 25)	(409)	-
Total	**4,317**	**1,074**

Note 9
Trade receivables (Unsecured, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivable - Considered Good	52,668	44,415
Allowance for doubtful debts (Refer note 25)	(20,624)	(8,506)
	32,044	35,909
Unbilled Receivables-Considered Good	2,142	4,521
Total	**34,186**	**40,430**

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

Notes to Financial Statements

The following is ageing schedule of trade receivables :

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2022						
Trade receivables - Billed						
(i) Undisputed Trade receivables - considered good	34,571	17,282	815	-	-	52,668
	34,571	17,282	815	-	-	52,668
Less : Allowance for doubtful trade receivables - Billed						(20,624)
						32,044
Trade receivables - Unbilled						2,142
						34,186
As at March 31, 2021						
Trade receivables - Billed						
(i) Undisputed Trade receivables - considered good	25,669	18,746	-	-	-	44,415
	25,669	18,746	-	-	-	44,415
Less : Allowance for doubtful trade receivables - Billed						(8,506)
						35,909
Trade receivables - Unbilled						4,521
						40,430

Note 10
Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- In current accounts	2,353	30,865
Total	2,353	30,865

Note 11
Other current financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits with body corporate and others		
- Considered Good	-	154
- Considered Doubtful	154	-
	154	154
Allowance for Doubtful advances	(154)	-
Total	-	154

Note 12
Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
GST recoverable	7,219	4,312
Prepaid expenses	1,609	-
Others		
- Considered Good	1	6
- Considered Doubtful	62	62
	8,891	4,380
Allowance for Doubtful advances	(62)	(62)
	8,829	4,318

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

Note 13
Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Numbers	Amount	Numbers	Amount
EQUITY SHARE CAPITAL				
Authorised share capital				
Equity Shares of Rs. 10 each	5,000,000	50,000	5,000,000	50,000
	5,000,000	**50,000**	**5,000,000**	**50,000**
Issued, subscribed and paid-up share capital				
Equity Shares of Rs. 10 each fully paid up	500,000	5,000	500,000	5,000
	500,000	**5,000**	**500,000**	**5,000**

(a) Reconciliation of number of shares outstanding

Particulars	As at March 31, 2022		As at March 31, 2021	
	Numbers	Amount	Numbers	Amount
Equity shares outstanding at the beginning and end of the year	500,000	5,000	500,000	5,000

(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 Rs. 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, 2022		As at March 31, 2021	
	Numbers	% holding in the class	Numbers	% holding in the class
Equity shares of Rs. 10 each fully paid				
Vodafone Idea Limited, the holding company and its nominees	500,000	100%	500,000	100%

Note 14
Other Equity

Particulars	As at March 31, 2022	As at March 31, 2021
Retained Earnings		
Opening balance	(102,963)	(98,970)
Profit/(Loss) after tax	(14,004)	(3,993)
Closing balance	**(116,967)**	**(102,963)**

Note 15
Other non-current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred revenue	6,982	2,289
Total	**6,982**	**2,289**

Note 16
Short term borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured Loans - Loan from related parties (refer note 29) [1]	76,000	90,190
Total	**76,000**	**90,190**

[1] The Loan is repayable on demand with nil interest rate .

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

Note 17
(A) The following is ageing schedule of trade payables :

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2022						
(i) MSME	-	3	-	-	-	3
(ii) Others	9,991	18,808	5,123	-	-	33,922
	9,991	18,811	5,123	-	-	33,925
Accrued expenses						25,684
Total						**59,609**
As at March 31, 2021						
(i) MSME	-	-	-	-	-	-
(ii) Others	-	6,834	11,492	5	-	18,331
	-	6,834	11,492	5	-	18,331
Accrued expenses						45,149
Total						**63,480**

(B) Information as per the Requirement of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2022	As at March 31, 2021
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	207	-
d) The amounts of interest accrued and remaining unpaid at the end of financial year	3	-
.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.	3	-

Note 18
Other current financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Payable for capital expenditure	3,656	-
Total	**3,656**	**-**

Note 19
Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from customers and deferred revenue	15,752	12,814
Taxes and other liabilities	3,222	6,051
Total	**18,974**	**18,865**

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

Note 20
Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income	158	-
Total	**158**	**-**

Note 21
Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Repairs and maintenance - others	1	-
IT service cost (including amount referred in note 29)	70,452	51,166
Allowances for doubtful debts and advances (refer note 25)	12,681	5,674
Bank Charges	12	-
Legal and professional charges	44	29
Audit fees (refer note 26)	200	200
Support service charges (refer note 29)	2,991	992
Miscellaneous expenses	-	3
Total	**86,381**	**58,064**

Note 22
Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on others	3	-
Exchange difference (net)	131	154
Total	**134**	**154**

Note 23
As the Company operates in only one business segment, hence there is no separate reportable segment as per Ind AS – 108 on "Operating segment".

Note 24
Details of Foreign Currency Exposures
Unhedged

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables		
In USD	10	295
Equivalent Rs. of Trade Receivables(1)	722	21,697

(1)Amount in Rs. represents conversion at closing rate

Note 25
Movement of Allowances for Doubtful Debts/Advances

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	8,568	2,894
Charged to Statement of Profit and Loss (Net) (refer note 21)	12,681	5,674
Closing Balance	**21,249**	**8,568**

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

Note 26
Auditor's Remuneration

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Statutory Audit Fees	200	200
Total Remuneration	**200**	**200**

Note 27
Income Tax Expenses
Reconciliation of average effective tax rate and applicable tax rate

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Loss before income tax expense	(14,004)	(3,993)
Applicable Tax Rate	25.17%	25.17%
Increase / reduction in taxes on account of:		
Effect of items for which no deferred tax is recognised	-25.17%	-25.17%
Effects of expenses that are not deductible in determining the taxable profits	0.00%	0.00%
Effective Tax Rate	0.00%	0.00%

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 has not recognized deferred tax assets in respect of carried forward tax losses / temporary differences of Rs. 29,483 as of March 31, 2022 (March 31, 2021 : Rs. 17,030).

Note 28
Basic & Diluted Earnings per Share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Nominal value of per equity share	10/-	10/-
Profit/(Loss) after tax	(14,004)	(3,993)
Profit/Loss attributable to equity shareholders	(14,004)	(3,993)
Weighted average number of equity shares outstanding during the year	500,000	500,000
Basic and diluted earning per share	(28.01)	(7.99)

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

Note 29
Related party transactions
The Company has transactions with the below related parties:

Relationship	Related Party
Holding company	Vodafone Idea Limited
Fellow Subsidiaries	Vodafone Idea Shared Services Limited
	Vodafone Idea Communication Systems Limited
KMP	Mr. Avneesh Khosla (Appointed as Non-Executive Director on December 1, 2020)*
	Mr Abhijit Kishore (Appointed as Non-Executive Director on January 27, 2021)*
	Mr Murthy G.V.A.S. (Appointed as Non-Executive Director on October 30, 2021) *
	Mr. J Arun Kumar (Resigned as Non-Executive Director on November 6, 2020)*
	Ms Kavita Nair (Resigned as Non-Executive Director on December 31, 2021)*
	Mr Ambrish Jain (Resigned as Non-Executive Director on October 31, 2021)*
	Mr. J Arun Kumar (Resigned as Non-Executive Director on November 6, 2020)*

* No transactions during the year

A. Transactions with Related Parties for the year ended March 31, 2022 and March 31, 2021

Particulars	Holding company	Fellow Subsidiary
Loan repaid during the year	14,190	-
	(4,410)	-
Purchase of Services	-	2,991
	-	(992)
Expense incurred on company's behalf by	8,799	-
	(3,849)	(1,100)

(Figures in bracket are for the year ended March 31, 2021)

B. Balances with Related Parties

Particulars	Holding company	Fellow Subsidiary
Short term borrowings	76,000	-
	(90,190)	-
Trade and Other Payables	14,208	356
	(4,485)	(13,802)

(Figures in bracket are as on March 31, 2021)

C. The significant related party transactions are summarised below for the year ended March 31, 2022 :

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of service		
Vodafone Idea Shared Services Limited	2,991	992
Expense incurred on company's behalf by		
Vodafone Idea Communication Systems Limited	-	1,100

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

Note 30
Financial instruments

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

Particulars	As at March 31, 2022	As at March 31, 2021
	Amortised Cost	
Financial Assets		
Cash and cash equivalents	2,353	30,865
Trade receivables	34,186	40,430
Deposit with Body Corporates and Others [1]	20	174
Total Financial Assets	**36,559**	**71,469**
Financial Liabilities		
Short term borrowings including Interest accrued but not due	76,000	90,190
Trade Payables	59,609	63,480
Payables for Capital Expenditure	3,656	-
Total Financial Liabilities	**139,265**	**153,670**

[1] included in other current / non-current financial assets

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

Note 31
Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings and trade payables. The Company's principal financial assets comprise bank balance, deposit with body corporates, trade receivable 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.

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.

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

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
As at March 31, 2022		
USD	+5%	36
	-5%	(36)
As at March 31, 2021		
USD	+3%	651
	-3%	(651)

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 (primarily trade receivables) and from its financing activities.

- Trade receivables

Customer credit risk is managed in accordance with the Company's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 0 to 15 days' credit terms from the date of invoice. Outstanding customer receivables are regularly monitored.

- Other financial assets and cash deposits

The Company maintains its Cash and cash equivalents with banks and financial institutions having good reputation, 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, 2022 and March 31, 2021 on its carrying amounts is disclosed in notes 7,8, 9, 10 and 11.

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 short term borrowings and trade and other payables which are payable within one year.

The company maintains liquidity through effective fund/working capital management for settling its liabilities as and when they arise.

Note 32

Capital management

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

The Company has external (i.e. excluding those of Holding Company) Financial liabilities of trade payables which are payable within one year. The Company maintains sufficient cash and other liquid financial assets to meet the payment of financial liabilities within the due dates.

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

Note 33

Ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	% Variance	Reason for change
Current Ratio (1)	0.55	0.92	-40%	Mainly due to decrease in current assets
Debt-Equity Ratio (2)	(0.68)	(0.92)	-26%	Mainly due to repayment of borrowing
Return on Equity Ratio (3)	NA*	NA*	NA	
Trade Receivables turnover ratio (number of days) (4)	172	131	31%	Mainly due to increase in trade receivables
Trade Payable turnover ratio (5)	1.30	1.45	-10%	
Net capital turnover ratio (6)	NA^	NA^	NA	
Net Profit ratio (%) (7)	-18%	-7%	151%	Mainly due to higher loss during the year
Return on Capital employed (8)	39%	49%	-22%	

(1) Current Ratio = [Current assets/Current liabilities (excluding short term borrowings]
(2) Debt-Equity Ratio = [Debt (excluding interest accrued but not due)/ Equity]
(3) Return on Equity Ratio = [Net Profit/(loss) after tax/Average Equity]
(4) Trade Receivables turnover ratio = [(Revenue from operations/Average trade receivables)*Number of days during the period]
(5) Trade Payables turnover ratio = [Total purchases/Average Trade Payables]
(6) Net capital turnover ratio = [Revenue from operations / (Current asset - Current liability (excluding Short term borrowings))]
(7) Net profit ratio = [Profit after tax/Revenue from operations]
(8) Return on Capital employed = [(Profit/(loss) before tax + Finance costs) / (Equity share capital + Other equity + Debt (excluding interest accrued but not due))]

* As the Net-worth is negative as on March 31, 2022 and as on March 31, 2021.
^ As the Net working capital is negative as on March 31, 2022 and as on March 31, 2021.

Note 34

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

As per our report of even date

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

sd/-

Nilangshu Katriar
Partner
Membership No.: 58814

Place : Mumbai
Date : May 5, 2022

For and on behalf of the Board of Directors of Vodafone Idea Technology Solutions Limited

sd/-

Abhijit Kishore
Director
(DIN: 09042186)

sd/-

Murthy G.V.A.S.
Director
(DIN: 08920194)

Place : Mumbai
Date : May 5, 2022